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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, January 14, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President  
Luke O'Brien, Vice-President  
Kathleen Dooley, Mark Dwight, William Ortiz-Cartagena  
Monetta White, Irene Yee Riley

GOVERNMENT  
DOCUMENTS DEPT

1. **Call to order and roll call:**
2. **Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Laura Arriola) as part of the SBC "City Employee Recognition Program."** (Discussion Item)
3. **Presentation of the Small Business Commission Certificate of Honor recognizing a San Francisco Small Business (Noe Valley Merchants) as part of the SBC "Small Business Recognition Program."** (Discussion Item)
4. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121200 [Administrative Code - Contractor Prompt Payment for Public Works Construction and Professional Services Contracts]** Ordinance amending the San Francisco Administrative Code, by adding Sections 6.22(Q) and 6.42(F), to require all public works contractors to pay subcontractors within seven days of receipt of payment from the City. Explanatory Documents: BOS File No. 121200, BOS File No. 121200 Legislative Digest. Presentation by Katy Tang, Legislative Aide to Supervisor Carmen Chu. (Discussion and Possible Action Item)
6. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121105 [Administrative Code - Expanding Public Utilities Commission Local Business Enterprise Contracting Opportunities]** Ordinance amending the San Francisco Administrative Code Section 14B.2 and related provisions to increase contracting opportunities for certified Public Utilities Commission Local Business Enterprise and to make corresponding technical changes; and making environmental findings and findings of consistency with the General Plan. Explanatory Documents: BOS File No. 121105, BOS File No. 121105 Legislative Digest. Presentation by Catherine Rauschuber, Legislative Aide to Supervisor David Chiu. (Discussion and Possible Action Item)
7. **Discussion and possible action to adopt a Small Business Commission letter to Mayor Lee on the CPUC proposal to add a 628 area code to the 415 area code service area.** (Discussion and Possible Action)

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, #110  
SAN FRANCISCO, CA 94102  
415.554.6408

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY



8. **Election of President of the Small Business Commission:** Allows the Commission to elect a member of the Commission to serve as President of the Commission. Requires motion and vote. (Action Item)
9. **Election of Vice-President of the Small Business Commission:** Allows the Commission to elect a member of the Commission to serve as Vice President of the Commission. Requires motion and vote. (Action Item)
10. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
11. **Legislation and Policy Committee Report (Discussion Item)**
12. **Outreach Committee Report (Discussion Item)**
13. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
14. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
15. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
16. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
17. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
18. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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### **Know Your Rights Under the Sunshine Ordinance**

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Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

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CHRIS SCHULMAN, COMMISSION SECRETARY





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**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, January 14, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
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GOVERNMENT  
DOCUMENTS DEPT

MAR 11 2013

**SMALL BUSINESS COMMISSIONERS**

**Stephen Adams, President  
Luke O'Brien, Vice-President  
Kathleen Dooley, Mark Dwight, William Ortiz-Cartagena  
Monetta White, Irene Yee Riley**

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**1. Call to order and roll call:**

The meeting was called to order at 5:38pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White and Yee Riley were present.

**2. Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Laura Arriola) as part of the SBC "City Employee Recognition Program."**

Commissioner Dooley presented Ms. Arriola with the Commissions Certificate of Honor. Ms. Arriola accepted the certificate and made remarks.

**3. Presentation of the Small Business Commission Certificate of Honor recognizing a San Francisco Small Business (Noe Valley Merchants) as part of the SBC "Small Business Recognition Program."**

Director Dick-Endrizzi presented Robert Roddick of Noe Valley Merchants with the Commissions Certificate of Honor. Mr. Roddick accepted on behalf of the organization and make remarks related to disability access.

**4. General Public Comment:**

General public comment was called for and no members of the public spoke during general public comment.

**5. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121200 [Administrative Code - Contractor Prompt Payment for Public Works Construction and Professional Services Contracts]**

Katy Tang, Legislative Aide to Supervisor Carmen Chu presented. Ms. Tang provided an overview of the ordinance to the commission, including background on contractor payments. Ms. Tang indicated that this ordinance was consistent with recent state law.

Public Comment was called for and no members of the public spoke during public comment.

The Commission recognized that this was consistent with state law and an executive directive from the Mayor. The Commissioners found that this law would streamline the payment process and benefit LBE

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CHRIS SCHULMAN, COMMISSION SECRETARY**



small business subcontractors.

Motion: Commission Dwight motioned that the Small Business Commission recommend approval of BOS File No. 121200.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley.

Nay: None

**6. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121105 [Administrative Code - Expanding Public Utilities Commission Local Business Enterprise Contracting Opportunities]**

Alaric Degrafinried, Public Utilities Commission presented. Mr. Degrafinried reviewed the legislation and answered Commissioner questions.

Public Comment was called for and no members of the public spoke during public comment.

The Commission clarified the distance that non San Francisco contractors would receive LBE incentives and found that the specified 70 miles was adequate. The Commission agreed with the PUC that this distance would protect San Francisco LBE contractors from competition from non San Francisco contractors.

Motion: Commission Dwight motioned that the Small Business Commission recommend approval of BOS File No. 121105.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley.

Nay: None

**7. Discussion and possible action to adopt a Small Business Commission letter to Mayor Lee on the CPUC proposal to add a 628 area code to the 415 area code service area.**

The Secretary provided a presentation to the Commission and reviewed the background and current proposals to incorporating the 628 area code into the 415 service area.

Public Comment was called for.

Stephen Cornell- Requested that cell phones receive the new area code and that land lines continue to be 415.

The Commission then reviewed a proposed letter to Mayor Lee requesting that the City form a position on the issue and advocate before the CPUC. Commissioner Dooley reviewed the discussions that took place at the Committee. The Commissioners re-iterated the stated point that splitting up San Francisco into two area codes is not a viable option. The Commissioners re-iterated their preference that San Francisco retain 415 and Marin county take the 628 area code. If necessary a third, to be determined area code can be added to a 415 overlay in the future when necessary.

Motion: Commissioner Dooley motioned that the Small Business Commission adopt the letter as drafted and send to Mayor Lee.

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2<sup>nd</sup>: Commissioner Ortiz-Cartagena.

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley.

Nay: None

- 8. Election of President of the Small Business Commission: Allows the Commission to elect a member of the Commission to serve as President of the Commission. Requires motion and vote.**

The Secretary read the President and Vice President election procedures into record.

The Secretary next called for nominations for President. Commissioner Adams was nominated by Commissioner Yee Riley. Next, Commissioner Comments were called for and made. Public comment was called for and no members of the public spoke during public comment.

The Secretary proceeded with a roll call vote and Commissioner Adams was the only nominee.

Adams- Aye  
Dooley- Aye  
Dwight- Aye  
O'Brien- Aye  
Ortiz-Cartagena- Aye  
White- Aye  
Yee Riley- Aye

Commissioner Adams was elected President for 2013.

- 9. Election of Vice-President of the Small Business Commission: Allows the Commission to elect a member of the Commission to serve as Vice President of the Commission. Requires motion and vote.**

The Secretary announced that the election procedures would be the same for Vice President.

The Secretary called for nominations. Commissioner White was nominated by Commissioner Yee Riley. Next, Commissioner Comments were called for and made. Public comment was called for and no members of the public spoke during public comment.

The Secretary proceeded with a roll call vote and Commissioner White was the only nominee.

Adams- Aye  
Dooley- Aye  
Dwight- Aye  
O'Brien- Aye  
Ortiz-Cartagena- Aye  
White- Aye  
Yee Riley- Aye

Commissioner White was elected Vice President for 2013.

**10. Director's Report:**

The Director provided a written and verbal Directors Report. The Director covered the 10 year anniversary celebration, License 123, Online Business Portal, Business Registration (ADA fee), ADA landlord notification, Invest in Neighborhoods, Small Business Week and inquired with Commissioners

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on Sunday Meters. Next, the Director provided a Legislation/Policy matters update. The Director concluded her report with a review of upcoming calendar items.

**11. Legislation and Policy Committee Report (Discussion Item)**

The Committee did not meet in December.

**12. Outreach Committee Report (Discussion Item)**

The Committee met and discussed area codes, 10 year anniversary party, and vacancy legislation.

**13. President's Report:**

The President reported on Small Business week and announced that he attended the recent NEN awards.

**14. Vice-President's Report:**

No report.

**15. Commissioner Reports:**

Commissioner Dooley reported that she attended a District 3 community leader meeting. Public safety was the most discussed topic.

The North Beach Business Association is requested a summit sponsored by Supervisor Chiu around State, Federal, and City ADA issues. She is also requesting a meeting with state and federal leaders to discuss the issue.

**16. General Public Comment:**

Charles Melancon- Made a request for information on mobile food facilities in the Fillmore.

**17. New Business:**

No new business.

**18. Adjournment:**

Motion: Commission Dooley motioned to adjourn.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley.

Nay: None

The meeting was adjourned at 7:00pm.

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA



Monday, January 28, 2013  
2:00 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call:
2. Approval of the November 5, 2012 meeting minutes: Explanatory Documents: Draft November 5, 2012 minutes. (Action Item).
3. Approval of the November 26, 2012 meeting minutes: Explanatory Documents: Draft November 26, 2012 minutes. (Action Item).
4. Approval of the December 10, 2012 meeting minutes: Explanatory Documents: Draft December 10, 2012 minutes. (Action Item).
5. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
6. **Presentation and Discussion by Nicholas King of the Entertainment Commission on Limited Live Performance Permits.** (Discussion Item)
7. **Presentation, Demonstration, and Discussion on "License 123" by Jane Gong of the Office of Small Business.** (Discussion Item)
8. **Discussion on Proposition E (Gross Receipts Tax) implementation.** (Discussion Item)
9. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
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Commission (Discussion Item).

**14. Adjournment:** (Action Item)

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**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, January 28, 2013**

**2:00 P.M.**

**CITY HALL, ROOM 400**

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DOCUMENTS DEPT

MAR 11 2013

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William Ortiz-Cartagena, Irene Yee Riley

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**1. Call to order and roll call:**

The meeting was called to order at 2:10pm. Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena and Yee Riley were present. Commissioner O'Brien was absent and Commissioner White was absent-excused.

**2. Approval of the November 5, 2012 meeting minutes: Explanatory Documents: Draft November 5, 2012 minutes.**

Motion: Commissioner Dooley motioned to adopt the November 5, 2012 meeting minutes.

2<sup>nd</sup>: Commissioner Ortiz-Cartagena

Aye: Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: O'Brien, White

**3. Approval of the November 26, 2012 meeting minutes: Explanatory Documents: Draft November 26, 2012 minutes.**

Motion: Commissioner Adams motioned to adopt the November 26, 2012 meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: O'Brien, White

**4. Approval of the December 10, 2012 meeting minutes: Explanatory Documents: Draft December 10, 2012 minutes.**

Motion: Commissioner Dooley motioned to adopt the December 10, 2012 meeting minutes.

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2<sup>nd</sup>. Commissioner Ortiz-Cartagena

Aye: Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: O'Brien, White

**5. General Public Comment:**

General Public Comment was called for and no members of the public spoke during general public comment.

**6. Presentation and Discussion by Nicholas King of the Entertainment Commission on Limited Live Performance Permits.**

The Secretary informed the Commission that the presenter was unable to attend the meeting and that the item will be re-scheduled at the following meeting.

Public Comment was called for and no members of the public spoke during public comment.

**7. Presentation, Demonstration, and Discussion on "License 123" by Jane Gong of the Office of Small Business.**

Jane Gong, Office of Small Business presented.

Ms. Gong provided background on the project and noted that the objective was, "Keep it Simple Small Biz." Jay Nath, Chief Innovation Officer selected License 123 as the vendor for the project and this project is a collaboration between the Office of Small business, Mayor's Office and City Departments. They are currently undertaking Phase I, which is "Small Budget, Big Impact." The Goal of the program is to simplify doing business in San Francisco, aggregate all forms in a central location, increase efficiency in OSB counseling, and capture new constituents.

Ms. Gong then provided a live demonstration of the product.

Next, she reviewed goals for Phase II, which is to add new industries and types of businesses, ability to use smart PDF's, ability to submit online, ability to save user profiles, and ability to "build your own business."

Next, Ms. Gong reviewed the timeline which includes launching the product the week of February 4, 2013.

Commissioners were supportive of the project and complimented the work up to date.

Public comment was called for and no members of the public spoke during public comment.

This was a discussion item only and no action was taken.

**8. Discussion on Proposition E (Gross Receipts Tax) implementation.**

The Director provided the Commission with an overview of the Gross Receipts Business Tax, passed by voters in November of 2012. In her presentation, the Director covered the current business tax system, the timeframe for the new proposal and general outline of the phase in plan. She then outlined some key details of the plan, including the progressive nature of the tax. Next, the director discussed the small business exemption and the business registration fee. She then covered additional details including, tax exclusions, headquartered companies, businesses that conduct some of their business outside San Francisco and other apportionment scenarios. The Director reviewed the business registration fee schedule chart for 2014-2015 and 2015 and on. Following, she reviewed the gross receipts tax schedule and additional detail on the gross receipts phase in schedule. She concluded by showing an example of a business's tax and registration calculation. The Secretary announced the location on the SBC website that members of the public can find a review sheet and details of the plan.

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The Commissioners discussed the plan and raised a number of questions, including calculations for businesses that cross over multiple schedules (I.E. Manufacturing and Retail) and additional apportionment questions. There were additional questions about outreach and plans for implementation. It was determined that time will be blocked out during the retreat to discuss this topic and the City Economist and representatives from the TTX will be invited.

Public comment was called for and no members of the public spoke during public comment.

**9. Director's Report:**

The Director provided a written and verbal Directors Report. In her report, she covered the Mayors State of the City Address, ADA, CAPSS and Neighborhood Commercial Storefront grants, Online Business Portal Project Update, ADA \$1.00 business registration, Invest in Neighborhoods/ADA program, Small Business Saturday and the Retreat. Legislative updates were provide and policy updates, including 415/628 area code, Affordable Care Act, Mobile Retail and Wage theft task force. She concluded with reminding commissioners of the CDMA 60<sup>th</sup> anniversary party.

**10. President's Report:**

Small Business Week has reached \$120,000 in fundraising, with a total goal of \$170,000. They are currently selecting businesses to be photographed for a SBW print campaign. President Adams reviewed the dates of SBW and announced the theme is "Small Businesses, Shaping our Communities."

**11. Vice-President's Report:**

No report.

**12. Commissioner Reports:**

Commissioner Dooley attended a meeting to help allocate discretionary funds assigned to District 3. There was interest in CASP inspection funding.

**13. General Public Comment:**

Public Comment was called for and no members of the public spoke during general public comment.

**14. New Business:**

No new business.

**15. Adjournment:**

Motion: Commissioner Dooley motioned to Adjourn

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: O'Brien, White

The meeting was adjourned at 3:20pm.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, #110  
SAN FRANCISCO, CA 94102  
415.554.6408

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA



Monday, February 11, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DEPT

DEC 17 2014

SMALL BUSINESS COMMISSIONERS,  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **Approval of the January 14, 2013 meeting minutes: Explanatory Documents: Draft January 14, 2013 minutes.** (Action Item).
3. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130042 [Planning Code - Medical Service Use - Sacramento Neighborhood Commercial District]** Ordinance amending the Planning Code, Section 724.1, and related portions of Table 724, to permit a change of use from a business or professional service use to medical service use on the first floor or below in the Sacramento Neighborhood Commercial District; and making environmental findings, Planning Code, Section 101.1, findings, and findings of consistency with the General Plan. Explanatory Documents: BOS File No. 130042, BOS File No. 130042 Legislative Digest. Presentation by Catherine Stefani, Legislative Aide to Supervisor Mark Farrell. (Discussion and Possible Action Item)
5. **Presentation and discussion on Alcohol Restricted Use Districts (RUD's) in the City of San Francisco.** Presentation by Sophie Hayward, Planning Department staff. (Discussion Item)
6. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121065 [Planning Code, Zoning Map - Polk Street Alcohol and Tobacco Paraphernalia Restrictions]** Ordinance amending the San Francisco Planning Code by amending Section 723 to extend the restriction on Tobacco Paraphernalia Establishments in the Polk Street Neighborhood Commercial District (NCD) for an additional three years and apply it to an area within one-quarter mile of the boundaries of the NCD; adding Section 788 to establish the Lower Polk Street Alcohol Restricted Use District for the properties located on Polk Street between California and O'Farrell Streets, and Polk Street's side streets between California Street, Larkin Street, O'Farrell Street and Van Ness Avenue; amending the San Francisco Zoning Map to designate the Lower Polk Street Alcohol Restricted Use District on Map Sheet ZN-02; and making environmental findings, Planning Code Section 302 findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1. Explanatory Documents: BOS File No. 121065, BOS File No. 121065 Legislative Digest. Presentation by Amy Chan, Legislative Aide to Supervisor David Chiu.

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(Discussion and Possible Action Item)

7. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121211 [Administrative Code - Rescinding Sunset in the San Francisco Bonding and Financial Assistance Program]** Ordinance amending the San Francisco Administrative Code, Section 14B.16, to rescind the sunset clause in the San Francisco Bonding and Financial Assistance Program, make technical amendments, and make environmental findings and findings of consistency with General Plan. Explanatory Documents: BOS File No. 121211, BOS File No. 121211 Legislative Digest. Presentation by Matt Hansen, City Administrators Office. (Discussion and Possible Action Item)
8. **Presentation and Discussion on Mobile Retail by Christian Murdock, Office of Small Business.** (Discussion Item)
9. **Presentation and Discussion by Nicholas King of the Entertainment Commission on Limited Live Performance Permits.** (Discussion Item)
10. **Discussion and agenda planning for the Small Business Commissions 2013 Commission retreat, scheduled for Thursday, February 28, 2013.** (Discussion Item)
11. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
12. **Legislation and Policy Committee Report (Discussion Item)**
13. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
14. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
15. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
16. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
17. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
18. **Adjournment:** (Action Item)

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San Francisco, CA 94102-4683  
Office: (415) 554-7724  
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CHRIS SCHULMAN, COMMISSION SECRETARY









**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, February 11, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

GOVERNMENT  
DOCUMENTS DEPT

MAR 11 2013

**SMALL BUSINESS COMMISSIONERS,**  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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**1. Call to order and roll call:**

The meeting was called to order at 5:33pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena (5:43pm), White, and Yee Riley were present.

**2. Approval of the January 14, 2013 meeting minutes: Explanatory Documents: Draft January 14, 2013 minutes.**

The Commission Secretary announced that the minutes required modification prior to approval and requested a continuance to the next scheduled SBC meeting.

Motion: Commissioner Adams motioned to continue item 2 to the next regular scheduled meeting.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**3. General Public Comment:**

The President called for general public comment and no members of the public spoke during general public comment.

**4. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130042 [Planning Code - Medical Service Use - Sacramento Neighborhood Commercial District]**

Sophie Hayward, Planning Department staff presented in place of Catherine Stefani, Legislative Aide to Supervisor Farrell. Ms. Hayward reviewed the proposed legislation and answered commissioner questions.

Commissioner Dooley recommended that windows remain clear and unobstructed by window coverings, blinds, film, etc. Sophie Hayward responded that she believed the planning code already had provisions in place to require this but did not reference a code section.

Commissioners agreed that this legislation was narrow in scope and would not lead to a

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proliferation of medical services in the Sacramento Street NCD.

Motion: Commissioner O'Brien made a motion to recommend approval of BOS File No. 130042 to the Board of Supervisors.

2nd: Dooley

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**5. Presentation and discussion on Alcohol Restricted Use Districts (RUD's) in the City of San Francisco. Presentation by Sophie Hayward, Planning Department staff.**

Sophie Hayward of Planning Staff presented.

Ms. Hayward reviewed a document and map that was provided in the Commissioner packets. She reviewed existing Alcohol Restricted Use Districts (RUD's) and discussed their history and applicability. She reviewed how several of them affect bars, restaurants, liquor stores, abandonment and discussed in depth the topic of relocation. Ms. Hayward described their usages in areas where there are not named NCD's or where there are overlapping zoning districts. She noted that some, such as the Mission RUD and 3<sup>rd</sup> Street RUD are expansive and restrictive districts, whereas others, such as the Lower Haight Street RUD are smaller and less restrictive.

Public Comment was called for and no members of the public spoke during public comment.

This item was a discussion item only and no action was taken.

**6. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121065 [Planning Code, Zoning Map - Polk Street Alcohol and Tobacco Paraphernalia Restrictions]**

Amy Chan, Legislative Aide to Supervisor David Chiu presented. Ms. Chan reviewed the rationale behind the legislation and addressed the concerns over concentration of liquor licenses in the Lower Polk area of San Francisco. Ms. Chan reported that there were 47 liquor licenses in the subject area and that at the request of neighborhood associations, the Supervisor was proposing to prohibit new bars and liquor stores in the Restricted Use District, which would be bound by O'Farrell, California, Van Ness and Larkin. New Restaurants with a type 47 or 49 license would be permitted by conditional use and will only be permitted to remain open until midnight and may not be a place of entertainment. New entertainment permits are available by conditional use only. She reviewed that transferability was permitted by conditional use.

Staff reviewed proximity maps that were created at the request of the SBC and presented the Commission with maps of 100, 150 and 300 feet. Commissioners commented that a 300 foot buffer would serve as a quasi-ban and that 100 or 150 feet will be more reasonable. Commissioners held additional discussion on the rationale behind the RUD. No concerns were made about liquor stores or tobacco paraphernalia establishments and discussions centered on bars.

Public Comment was called for and no members of the public spoke during public comment.

The Secretary reviewed recommendations of the Legislation and Policy Committee and requested clarification on certain points to ensure that staff accurately stated the Commissions position to the Board of Supervisors.

Motion: Commissioner Dooley made a motion to recommend approval of BOS File No. 121065 to the Board of Supervisors with the following modifications:

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- Recommend replacing the blanket ban on new bars with proximity controls, whereas a new bar may not locate within 100 feet (not to exceed 150 feet) or an existing bar.
- Recommend a 3-5 year sunset provision, consistent with other RUD's
- Confirm with the City Attorney that all qualified businesses may obtain a Limited Live Performance Permit. The legislation currently only affirmatively states that a restaurant and restaurant-limited may obtain an LLP permit.
- Grandfather existing applications that are made prior to the adoption of the ordinance using language provided by staff.

2<sup>nd</sup>: Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**7. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 121211 [Administrative Code - Rescinding Sunset in the San Francisco Bonding and Financial Assistance Program]**

Mat Hansen, Director, Risk Management Division of the City Administrators Office presented. Mr. Hansen provided a introduction to the Surety Bond and Finance Program, including history and goals of the program, overview of the structure, pending legislation, operational effect of legislation, and next steps for the program.

Public Comment was called for and no members of the public spoke during public comment.

Commissioner Ortiz-Cartagena commended that he would like expansion of the program and additional types of businesses and projects to be included. Ortiz-Cartagena commented that he strongly supports any steps to introduce efficiencies into the program.

Motion: Commissioner Yee Riley made a motion to recommend approval of BOS File No. 121211 to the Board of Supervisors.

2nd: Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**8. Presentation and Discussion on Mobile Retail by Christian Murdock, Office of Small Business.**

Christian Murdock of the Office of Small Business Staff presented. Mr. Murdock introduced the topic by stating that the goal is to develop a new city-wide program to permit retail sales and services from and within motor vehicles on city streets. Over the past months there has been an increase in the number of inquiries for mobile retail permitting and there is currently no permitting process. Next Mr. Murdock reviewed the mobile permitting concept, business models, organizations, and growing interest. Following this, he reviewed the landscape of businesses and sectors of mobile retail. He stated that the office is currently reviewing the motivations and drivers behind mobile retail and evaluating the potential impacts to existing brick and mortar businesses. Mr. Murdock discussed areas that the office is considering, including requirements for transition to permanent spaces, formula retail controls, and additional areas to explore. The department will be

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partnering with other departments to develop a permitting process, identify allowed goods/services, eligible areas, and enforcement responsibilities. Mr. Murdock then reviewed potential challenges, which include present regulations, overlapping jurisdictions, disabled access and the sheer number of goods and services possible with mobile retail sales. Mr. Murdock concluded by reviewing the next steps with the Commission, which include ongoing staff refinement of the program concepts, draft program proposal and discussion with interdepartmental working groups.

Public Comment:

Stephen Cornell- Small Business Advocates: Discussed the pros and cons of mobile retail. Mr. Cornell expressed concerns over equality on how brick and mortar and mobile businesses will be treated. He also discussed permit fees and disability access.

Public Comment was closed.

Commissioner Dwight inquired whether there was any model legislation available. Mr. Murdock responded that while other cities have taken limited steps to address mobile retail, no City has taken a comprehensive approach that San Francisco is considering.

Commissioners encouraged Mr. Murdock to continue working on this subject and commended him for the work completed thus far.

This item was a discussion item only and no action was taken.

**9. Presentation and Discussion by Nicholas King of the Entertainment Commission on Limited Live Performance Permits.**

Mr. King provided a review of the Limited Live Performance Permit to the Commission. He reported that the Entertainment Commission regulates entertainment and nightlife in the City of San Francisco. They also regulate all after-hours permits for all businesses. Mr. King briefly reviewed the full Place of Entertainment permit and then the Limited Live Performance Permit and its restrictions. Following, he reviewed the geography that permits the LLP permit. Mr. King reported that thus far 35 businesses have received LLP permits and they are hoping that more businesses will either begin offering live performances or, businesses that are currently offering live performances without permits will apply and become properly regulated. Mr. King concluded by providing examples of permittees and the programming that they offer.

Commissioners thanked Mr. King for his thorough presentation and noted that the SBC was a driver in the creation of the permit and strongly supports the program.

Public Comment was called for and no members of the public spoke during public comment.

This item was a discussion item only and no action was taken.

**10. Discussion and agenda planning for the Small Business Commissions 2013 Commission retreat, scheduled for Thursday, February 28, 2013.**

The Director reviewed the draft agenda and announced that she would be taking phone calls with all Commissioners over the next week to discuss the retreat in additional detail.

Public Comment was called for and no members of the public spoke during public comment.

**11. Director's Report:**

The Director provided a written and verbal Directors report. Non-Policy-City and Office Initiatives and Programs included a discussion on License 123 and a proposed joint meeting with the Commission on the Status of Women. Legislative updates included, Polk SUD, CRV redemption, Healthy Food Retailer, Contractor Prompt Payment, PUC LBE, Fillmore Street and Divisadero Street NCD and MFF ordinances. Next, the Director provided a policy update on the 415/628 area

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code issue, Affordable Care Act, and Wage theft task force. The Commission on Status of Women meeting will be assigned to the Outreach Committee for brainstorming topics. Staff will email an invitation for an Contract Monitoring Division open house taking place on February 19.

**12. Legislation and Policy Committee Report (Discussion Item)**

President Adams reported that the Committee heard a presentation on the Polk RUD and the Bonding ordinance. Staff also provided additional legislative and policy updates to the Committee.

**13. President's Report:**

President Adams reported that he attended the Council of District Merchants 60<sup>th</sup> anniversary dinner. Adams also provided an update on Small Business Week and announced that the committee was close to securing their fund raising goals. Commissioner Adams would like to see more discussion on commercial vacancies and an update on the vacancy tracking system.

**14. Vice-President's Report:**

No Report.

**15. Commissioner Reports:**

Commissioner Yee Riley reported that she attended a meeting with the Mayor and small businesses. This was a quarterly meeting. Yee Riley reported that Jane Gong of OSB staff presented on License 123 and that Jordan Klein of OEWD presented on Invest in Neighborhoods.

**16. General Public Comment:**

General Public Comment was called for and no members of the public spoke during General Public Comment.

**17. New Business:**

President Adams requested updates on the topic of commercial vacancies and what the office and OEWD are doing to address the issue.

**18. Adjournment:**

Motion: Commissioner Adams motioned to Adjourn

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 7:25pm.

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City and County of San Francisco



**Notice Agenda for a Special  
Meeting/Retreat  
of the  
SMALL BUSINESS COMMISSION**

**Thursday, February 28, 2012**

**City Hall Room 421**

**1 Carlton B. Goodlett Place  
San Francisco, CA 94102**

**1:00 PM - 8:00 PM**

**COMMISSIONERS:**

Stephen Adams, President  
Monetta White, Vice President  
Kathleen Dooley  
Mark Dwight  
Luke O'Brien  
William Ortiz-Cartagena  
Irene Yee Riley

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**STAFF**

Regina Dick-Endrizzi: Director

Jane Gong, Christian Murdock, Chris Schulman and Martha Yanez: Staff

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1. Roll Call for the February 28, 2013 Special meeting and Retreat of the Small Business Commission
2. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)
3. Introduction and overview of retreat by Commission President and Executive Director. (Discussion Item)
4. Introductions of Commissioners and Staff, goals and objectives, and items each commissioner and staff person hopes to achieve in the upcoming year (Discussion Item)
5. Review Rules of Order, Sunshine requirements for OSB, Meeting Requirements, Duties and Responsibilities, Conflicts of Interest and Good Government Guide (Discussion Possible Action Item)
6. Gross Receipts presentation by Greg Kato and Ted Egan (Discussion Item)
7. Presentation on the Office of Small Business's Business Assistance Center including service and functions, number of clients served demographics, and business trends. (Discussion Item)
8. Update on Staff Projects (Discussion Item)
9. 12/13 Budget and fiscal years 13/14 Budget Review (Discussion and possible Action Item)
10. Funding for department projects (Discussion and possible Action Item)
11. Break
12. Review of Commission accomplishments to date. (Discussion Item)
13. Review of Commission Committees and Projects assigned under each committee. (Discussion and Possible Action Item)
14. Committee Assignments (Discussion and Possible Action Item)
15. Strategic Plan (Discussion Possible Action Item)
  - Review 2012/2013 Strategic Plan
  - Develop March 1, 1013 to December 31, 2014 Strategic Plan
16. Action Plan for March 1, 1013 to December 31, 2014 (Discussion and Possible Action Item)
  - Programs
  - Commissioner responses and comments/feedback at meetings
  - Policy (Establish top 4 to 6 policy items)
17. New Business (Discussion Item)
18. Adjournment (Action Item)



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of the  
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**Thursday, February 28, 2012**

**City Hall Room 421**

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**1:00 PM - 8:00 PM**

**COMMISSIONERS:**

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William Ortiz-Cartagena  
Irene Yee Riley

**STAFF**

Regina Dick-Endrizzi: Director  
Jane Gong, Christian Murdock, Chris Schulman and Martha Yanez: Staff



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4. Introductions of Commissioners and Staff, goals and objectives, and items each commissioner and staff person hopes to achieve in the upcoming year (Discussion Item)
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7. Presentation on the Office of Small Business's Business Assistance Center including service and functions, number of clients served demographics, and business trends. (Discussion Item)
8. Update on Staff Projects (Discussion Item)
9. 12/13 Budget and fiscal years 13/14 Budget Review (Discussion and possible Action Item)
10. Funding for department projects (Discussion and possible Action Item)
11. Break
12. Review of Commission accomplishments to date. (Discussion Item)
13. Review of Commission Committees and Projects assigned under each committee. (Discussion and Possible Action Item)
14. Committee Assignments (Discussion and Possible Action Item)
15. Strategic Plan (Discussion Possible Action Item)
  - Review 2012/2013 Strategic Plan
  - Develop March 1, 2013 to December 31, 2014 Strategic Plan
16. Action Plan for March 1, 2013 to December 31, 2014 (Discussion and Possible Action Item)
  - Programs
  - Commissioner responses and comments/feedback at meetings
  - Policy (Establish top 4 to 6 policy items)
17. New Business (Discussion Item)
18. Adjournment (Action Item)



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City and County of San Francisco



**MINUTES**  
**Meeting/Retreat**  
**of the**  
**SMALL BUSINESS COMMISSION**

**Thursday, February 28, 2013**

**City Hall Room 421**

**1 Carlton B. Goodlett Place  
San Francisco, CA 94102**

**1:00 PM - 8:00 PM**

**COMMISSIONERS:**

Stephen Adams, President  
Monetta White, Vice President  
Kathleen Dooley  
Mark Dwight  
Luke O'Brien  
William Ortiz-Cartagena  
Irene Yee Riley

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**STAFF**

Regina Dick-Endrizzi: Director  
Jane Gong, Christian Murdock, Chris Schulman and Martha Yanez: Staff



1. Roll Call for the February 28, 2013 Special meeting and Retreat of the Small Business Commission

The meeting was called to order at 1:14pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White and Yee Riley were present. Staff members Regina Dick-Endrizzi, Jane Gong, Christian Murdock, Chris Schulman Martha Yanez, were also present.

2. General Public Comment –allows members of the public to comment generally on matters within the Commission's purview, as well as to suggest new agenda items for the Commission's future consideration (Discussion Item)

General public comment was called for and no members of the public spoke during general public comment.

3. Introduction and overview of retreat by Commission President and Executive Director. (Discussion Item)

Commissioner Adams introduced staff. He discussed the gross receipts tax. President Adams asked Commissioners to keep focused today. Director Dick-Endrizzi expressed thanks to Commissioners and commented on the light legislative year. She extended her appreciation to staff. She highlighted the SF chamber City Beat event and noted that comments by the Mayor were consistent with the goals and activities of the Commission. She highlighted the Commission calendar in front of the binder. The Director reviewed the order of agenda items. President Adams added comments about the cohesiveness of the Commission and the effectiveness of its work.

4. Introductions of Commissioners and Staff, goals and objectives, and items each commissioner and staff person hopes to achieve in the upcoming year (Discussion Item)

Regina Dick-Endrizzi- Commented on the heavy agenda. We now have Christian Murdock on staff. This has increased the ability to expand proactive projects. The Director referenced the Logo and Rebranding. She hopes that this year will provide opportunities to invest and accomplish key projects. The ACA grant may bring additional employees and there may be additional staffing for a gross receipts staff person(s).

Christian Murdock- He has been on staff for six months. Relocated from Mission Viejo.

Martha Yanez- Goals for this year are to keep up with work and keep up with case work. She would like to bring in some interns this year. Jane Gong- Enjoys working in the office. She finds that there is a good synergy with staff. She is excited to have Christian Murdock on staff. She has reduced time on counter and has had an opportunity to focus on projects. She looks forward to completing a revamp of the website (completed license 123.) Rebranding and increasing office visibility is another project she is looking forward to.

Chris Schulman- Enjoys working with the Commission and looks forward to supporting the Commission in the upcoming year. Looks forward to completing projects and enjoys working with Commissioners on policy matters.

Mark Dwight- Owner of Rickshaw Bagworks. Moved to San Francisco eleven years ago. Grew up on the Peninsula. Interested in re-branding and Commission logo. Gross Receipts tax is also a priority.

Luke O'Brien- Recognized Mark Dwight's At the Crossroads fundraiser. Thanks Commissioner White for providing pastries. Commissioner O'Brien's primary goal is to remain a strong and active participant in commission business. He feels that there is a strong cohesion between commissioners and that there has been increased cooperation. Commissioner O'Brien runs a small business related to real estate and he is from a small county in Ireland.

Irene Yee Riley- Commissioner Yee Riley is the longest termed commissioner. Agrees with the other commissioners on the cohesion of the commission and enjoys working with commissioners. She looks forward to continue to participating with the commission. She is a retired banker and worked for a major bank for 35 years.

Stephen Adams- Commissioner Adams came to San Francisco 19 years ago on a six month work assignment and never came back. He started working at Sterling Bank and Trust in San Francisco. His key goal is gross receipts tax opportunities. Commissioner Adams is passionate about neighborhoods. He is a resident of upper market.



Monetta White- Commissioner White is the owner of 1300 Fillmore. She is excited to be on the Commission as it allows her to learn more about small businesses in the City. Her goals include outreach to License 123 and Gross Receipts tax. Commissioner White is a native San Franciscan.

William Ortiz-Cartagena- Commissioner Ortiz-Cartagena thanked the Commission for being so welcoming. His goals are to bring to the forefront issues of communities such as the Mission and the Bayview. He would like to leverage resources from nonprofits and other organizations. He is on the Board of MEDA.

Kathleen Dooley- Commissioner Dooley is looking forward to accomplishing a lot this year and completing projects. She has found that the Commission has gotten a lot more visibility over the past several years. Her goals are to see successful implementation of the gross receipts tax, continued focus on formula retail controls, and putting tougher a conference on ADA with federal, state, and local stakeholders.

The Director reviewed the OSB organizational chart.

5. Review Rules of Order, Sunshine requirements for OSB, Meeting Requirements, Duties and Responsibilities, Conflicts of Interest and Good Government Guide (Discussion Possible Action Item)

Following item number 4, the Commission reviewed proposed amended rules of order. No action was taken on the amendments.

Public comment was taken and no members of the public spoke during public comment.

The Director recommended that the Commission entertain a motion to continue remaining items on this item number until later in the meeting.

Motion: Commissioner Yee Riley motioned to continue the remaining items listed under this item until later in the meeting.

2<sup>nd</sup>: Commissioner Dooley

Ayes: Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White and Yee Riley

Nays: None

Absent: None

Item 5 was recalled following item number 8.

Director Dick-Endrizzi introduced Deputy City Attorney Alicia Cabrera.

Ms. Cabrera reviewed the Good Government Guide, Sunshine Ordinance Training, Ethics training, rules of communications (both as functioning as a commissioner and not as a commissioner,) and did a question and answer. Questions included procedures on emails (including not replying to all) holiday party and procedures at social functions, speaking at public hearings and identifying as a commissioner, a discussion on conflicts of interest, roles and responsibilities of being on different boards and commissioners (including non-profits) and how to avoid quorum discussions.



6. Gross Receipts presentation by Greg Kato and Ted Egan (Discussion Item)

Item 6 was heard following item 7.

Greg Kato, Office of the Treasurer and Tax Collectors presented.

Mr. Kato provided an overview of the gross receipts ordinance and legislative process. He reviewed the gross receipts tax categories. Next, Mr. Kato reviewed how the City determined the total gross receipts in the City and described the multiyear phase in process. Following, Mr. Kato reviewed the FY 2014/2015 business registration fees and the FY 2015/2016 business registration fees. Mr. Kato concluded with a detailed timeline of the tax. Next the Commission held question and answer with Mr. Kato and Ted Egan of the Controller's office. They noted that business questions should be directed to the Treasurer and Tax Collectors Office.

President Adams made closing statements about working with Greg Kato and the Treasurer and Tax Collectors office on implementing the new tax structure.

Public Comment was called for and no members of the public spoke during public comment.

This was a discussion item only.

7. Presentation on the Office of Small Business's Business Assistance Center including service and functions, number of clients served demographics, and business trends. (Discussion Item)

Item 7 was heard following Item number 5 (following review of proposed amended rules of order.)

Martha Yanez presented. Ms. Yanez began by presented on the Small Business Assistance Center services offered, which includes multi-lingual customized case management. Case managers speak Spanish, Mandarin, Cantonese, and Shanghainese. Ms. Yanez reviewed case management details and services provided. Next Ms. Yanez reviewed case numbers for fiscal years 2008/2009 through 2011/2012. Following, she reviewed the 2011/2012 total cases by district. Next, she reviewed case origins, language composition, business status, business entity types, types of services requested, and business classifications. Then Ms. Yanez reviewed business programs and the percentage of clients that received counseling in each program. Ms. Yanez, Ms. Gong, and Mr. Murdock then concluded this item by presenting client profiles to Commissioners.

Director Dick-Endrizzi concluded this item by commenting how she hears from businesses on how much they appreciate having the office and Commission advocating for businesses. She gave the example of the alcohol recovery fee ordinance and dog walking ordinance.

Public Comment was called for and no members of the public spoke during public comment.

8. Update on Staff Projects (Discussion Item)

Item 8 was heard following Item number 6. Staff provided updates on the following projects/areas: ADA, CAPSS, License 123, Salesforce, Website, Dashboard, Streamlining report, Permits, Mobile Retail, CRV, Vacancy, SB4P, Survey of Departments and Clients, ACA/HCSO, Gross Receipts Education.

Christian Murdock provided a detailed update on Disability access issues. He provided an overview of the issue, including disability access lawsuits, the expensive and daunting permitting process, and issues with differences between local, state and federal laws. Next, Mr. Murdock reviewed areas of focus, education and outreach, issues surrounding limited local oversight, confusing regulations, issues with the public right of way, solutions and alternatives.

Jane Gong provided updates on technology endeavors, including License 123, Sales force, Website, and Dashboard.

Additional updates were noted to commissioners and provided as written reports in the binder.

Public Comment was called for and no members of the public spoke during public comment.



9. 12/13 Budget and fiscal years 13/14 Budget Review (Discussion and possible Action Item)

10. Funding for department projects (Discussion and possible Action Item)

Items 9 and 10 were called together.

The Director reviewed salaries, non personal programs, data, materials, and supplies. Budget asks are for additional hire(s) for gross receipts outreach.

The Director is looking forward for budget projections for an online business portal. The conversations are at the beginning stages.

The Commission discussed a Friends of Small Business type organization.

Public Comment was called for and no members of the public spoke during public comment.

11. Break

The Commission took an approximately 15 minute break.

12. Review of Commission accomplishments to date. (Discussion Item)

The Secretary began by reviewing that the Commission heard 33 ordinances in 2012. Full responses were sent out for each ordinance. The Secretary reviewed how many ordinances were heard in prior years dating back to 2007. The Secretary next showed the Commission a list of ordinances heard in 2012. Following, he provided a list of highlighted legislative items. Next, the Secretary reviewed policy matters heard before the Commission.

Public Comment was called for and no members of the public spoke during public comment.

13. Review of Commission Committees and Projects assigned under each committee. (Discussion and Possible Action Item)

The Secretary reviewed the Mission Statement of each Committee.

The Commission next reviewed the project assignments for each committee. It was determined to move Formula Retail from the Legislation and Policy Committee to the Permitting Committee. Parklets and Media Outreach were removed from the Outreach and Education Committee. The Health Care Reform Task Force was removed from the Permitting Committee.

The Commission also discussed forming special committees for certain high profile items, such as Affordable Care Act.

Public Comment was called for and no members of the public spoke during public comment.

14. Committee Assignments (Discussion and Possible Action Item)

The Commission discussed Committee Assignments.

Legislation and Policy: Commissioner Adams (Chair), Yee Riley, Ortiz-Cartagena.

Outreach and Economic: Dwight (Chair), White

Permitting: Dooley (Chair), O'Brien, Ortiz-Cartagena

This was a possible action item, but the President is charged with assigning committees. President Adams affirmed the committee assignments.

Public comment was called for and no members of the public spoke during public comment.



15. Strategic Plan (Discussion Possible Action Item)

- Review 2012/2013 Strategic Plan
- Develop March 1, 2013 to December 31, 2014 Strategic Plan

The Commission reviewed the 2012/2013 Strategic Plan. The Commission developed a strategic plan for the Office of Small Business and Small Business Commission for March 1, 2013 through December 31, 2014.

The Commission determined that the four goals would remain the same.

Item 16 was called in conjunction with item number 15.

**Goal #1**

Bullet #1- Review Client Survey. Stays.

Action Items (add to action plan):

- Dashboard
- Report
- Surveys

Bullet #2- Stays

Bullet #3- Policies and Procedures Manual. Stays.

**Goal #2**

- Remove google analytics
- Remove mail welcome letter (may add if budget permitting)
- Logo/Website, ADA, Prop E, Affordable Care Act (Keep all of these items)

**Goal #3**

- Partner with other departments and commissions on special projects (keep)
- Reduce time and cost for small businesses (add)
- On-Line business portal (add bullet)
- Streamlining Report (add bullet)

Delete specific references to the fourth bullet (restaurants, mobile foods, retail general, and retail foods.)

**Goal #4**

- Revise Interagency projects to include
  - CAPPS
  - Formula Retail
  - Mobile Retail
  - ADA
  - Wage Theft
- Bullet #3- Add Police Permits to bullet 3 as action item.

Public Comment was called and no members of the public spoke during public comment. No action taken.



16. Action Plan for March 1, 2013 to December 31, 2014 (Discussion and Possible Action Item)

Item 16 discussion continued following the Strategic Plan and Action item discussion.

The Director reviewed programs for the next year and a half that the office will be working on. These programs include: ADA – Landlord notification, Mobile Retail, CRV, Gross Receipts, Covered California, Small Business Week, Small Business Saturday, Mobile Foods.

The Commission very briefly reviewed legislative responses and the Director encouraged commissioners to review items in the commission packet. The Director reviewed that when the Commission holds substantive debate and comments on items, the staff is able to provide more in depth response to the Board of Supervisors, Planning Commission, and other Departments.

Public Comment was called for and no members of the public spoke during public comment.

17. New Business (Discussion Item)

It was brought to the Commissions attention that there are concerns over the LBE certification process. The Commission would like to consider calling an informational hearing on the LBE process.

18. Adjournment (Action Item)

Motion: Commissioner Dooley motioned to Adjourn

2nd: Commissioner Dwight

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 7:55pm

















SMALL BUSINESS COMMISSION  
NOTICE OF **AMENDED** MEETING AGENDA

Monday, March 11, 2013  
5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

MAR 11 2013

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552  
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3/11/13
1. Call to order and roll call:
  2. Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (R&G Lounge) as part of the SBC "Small Business Recognition Program."  
(Discussion Item)
  3. Approval of the January 14, 2013 meeting minutes: Explanatory Documents: Draft January 14, 2013 minutes. (Action Item).
  4. Approval of the January 28, 2013 meeting minutes: Explanatory Documents: Draft January 28, 2013 minutes. (Action Item).
  5. Approval of the February 11, 2013 meeting minutes: Explanatory Documents: Draft February 11, 2013 minutes. (Action Item).
  6. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration.  
(Discussion Item)
  7. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130018 [Planning Code - Deleting the Sunset Provision of the Excelsior Alcohol Restricted Use District] Ordinance amending the Planning Code, Section 785, to delete the sunset provision of the Excelsior Alcohol Restricted Use District; and making findings, including environmental findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130018, BOS File No. 130018 Legislative Digest. Presentation by Jeremy Pollack, Legislative Aide to Supervisor John Avalos.  
(Discussion and Possible Action Item)
  8. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130084 [Planning Code, Zoning Map - Establishing Outer Mission Street Neighborhood Commercial District] Ordinance amending the Planning Code, by adding a new section, to establish the Outer Mission Street Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line; repealing the Excelsior Alcohol Restricted Use District and adding controls on liquor establishments to the new Neighborhood

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Commercial District; amending various sections to make conforming and other technical changes; amending the Zoning Map to rezone specified properties to the new Neighborhood Commercial District; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the Priority Policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130084, BOS File No. 130084 Legislative Digest. Presentation by Jeremy Pollack, Legislative Aide to Supervisor John Avalos. (Discussion and Possible Action Item)

9. **Presentation and discussion on the Affordable Care Act and how it overlays with the Health Care Security Ordinance.** Presentation by Tangerine Brigham, Department of Public Health, Matt Goldberg, Office of Labor Standards and Enforcement, Scott Hague, Small Business California. (Discussion Item)
10. **Presentation and discussion on San Francisco's Small Business Week by Adam Strauss, Strauss Events.** (Discussion Item)
11. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
12. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
13. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
14. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
15. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
16. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
17. **Adjournment:** (Action Item)

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[Planning Code - Deleting the Sunset Provision of the Excelsior Alcohol Restricted Use District]

**Ordinance amending the San Francisco Planning Code, Section 785, to delete the sunset provision of the Excelsior Alcohol Restricted Use District; and making findings, including environmental findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1.**

NOTE: Additions are single-underline italics Times New Roman;  
deletions are ~~strike-through italics Times New Roman~~.  
Board amendment additions are double-underlined;  
Board amendment deletions are ~~striketrough normal~~.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) Pursuant to Planning Code Section 302, this Board of Supervisors finds that this Ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_, and incorporates those reasons herein by reference. A copy of said Planning Commission Resolution is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

(b) The Board of Supervisors finds that this Ordinance is, on balance, consistent with the General Plan and the Priority Policies of Planning Code Section 101.1(b) for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_, and incorporates those reasons herein by reference.

(c) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources



1 Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of  
2 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference.

3  
4 Section 2. The San Francisco Planning Code is hereby amended by amending Section  
5 748, to read as follows:

6 **SEC. 785. EXCELSIOR ALCOHOL RESTRICTED USE DISTRICT.**

7 (a) **Findings.** There are an unusually large number of establishments dispensing  
8 alcoholic beverages, including beer and wine, for off-site consumption in the area located  
9 generally on Mission Street from Silver Avenue to the Daly City border. The existence of this  
10 many off-sale alcoholic beverage establishments appears to contribute directly to numerous  
11 peace, health, safety, and general welfare problems in the area, including loitering, littering,  
12 public drunkenness, defacement and damaging of structures, pedestrian obstructions, as well  
13 as traffic circulation, parking and noise problems on public streets and neighborhood lots. The  
14 existence of these problems creates serious impacts on the health, safety, and welfare of  
15 residents of nearby single- and multiple-family areas, including fear for the safety of children,  
16 elderly residents, and visitors to the area. The problems also contribute to the deterioration of  
17 the neighborhood and concomitant devaluation of property and destruction of community  
18 values and quality of life. The number of establishments selling alcoholic beverages for off-site  
19 consumption and the associated problems discourage more desirable and needed  
20 commercial uses in the area.

21 (b) **Establishment of the Excelsior Alcohol Restricted Use District.** In order to  
22 preserve the residential character and the neighborhood-serving commercial uses of the area,  
23 the Excelsior Alcohol Restricted Use District (Excelsior Alcohol RUD) is hereby established for  
24 the blocks and lots fronting both sides of Mission Street from Silver Avenue to the Daly City  
25



border, as set forth on Sectional Maps SU 11 and SU 12 of the Zoning Maps of the City and County of San Francisco.

**(c) Definitions.** The following definitions shall apply to this Section 785:

(1) "ABC License" shall mean a liquor license issued by the California Department of Alcoholic Beverage Control.

(2) "Liquor establishment" shall mean any enterprise selling alcoholic beverages, as defined in California Business and Professions Code Sections 23004 and 23025, pursuant to an ABC License.

(3) "Prohibited liquor establishment" shall mean any establishment selling alcoholic beverages lawfully existing prior to the effective date of this ordinance and licensed by the State of California for the sale of alcoholic beverages for off-site consumption ("off-sale"), so long as otherwise lawful. It shall include an establishment that is defined in Section 790.55 of this Code.

**(d) Controls.**

(1) No new liquor establishments selling alcoholic beverages for off-site consumption shall be permitted in the Excelsior Alcohol RUD.

(2) The prohibition of off-sale liquor establishments shall not be interpreted to prohibit the following:

(A) Temporary uses, as described in Planning Code Section 205.1 or 205.3; or

(B) Establishment of an off-sale liquor establishment if an application for such liquor establishment is on file with the California Department of Alcoholic Beverage Control prior to the effective date of this ordinance establishing the Excelsior Alcohol RUD; or



1 (3) Continuation of Existing Prohibited Liquor Establishments. In the Excelsior  
2 Alcohol RUD, any prohibited liquor establishment may continue in accordance with Planning  
3 Code Section through 186.2. subject to the following provisions:

4 (A) A prohibited liquor establishment lawfully existing and selling  
5 alcoholic beverages as licensed by the State of California prior to the effective date of this  
6 legislation, or subsequent legislation prohibiting that type of liquor establishment, so long as  
7 otherwise lawful may continue to operate only under the following conditions, as provided by  
8 California Business and Professions Code Section 23790:

9 (i) Except as provided in Subsection (B) below, the premises  
10 shall retain the same type of retail liquor license within a license classification; and

11 (ii) Except as provided in Subsection (B) below, the liquor  
12 establishment shall be operated continuously, without substantial changes in mode or  
13 character of operation.

14 (B) A break in continuous service shall not be interpreted to include the  
15 following, provided that, except as indicated below, the location of the establishment does not  
16 change, the square footage used for the sale of alcoholic beverages does not increase, and  
17 the type of ABC License does not change:

18 (i) a change in ownership of a prohibited liquor establishment or  
19 an owner-to-owner transfer of an ABC License:

20 (ii) a temporary closure for restoration or repair of an existing  
21 prohibited liquor establishment on the same lot after total or partial destruction or damage due  
22 to fire, riot, insurrection, toxic accident, or act of God;

23 (iii) temporary closure of an existing prohibited liquor  
24 establishment for reasons other than total or partial destruction or damage due to fire, riot,  
25



insurrection, toxic accident, or act of God for not more than thirty days for repair, renovation, or remodeling; or

(iv) relocation of an existing prohibited liquor establishment in the Excelsior Alcohol RUD to another location within the same Excelsior Alcohol RUD with conditional use authorization from the Planning Commission, provided that the original premises shall not be occupied by a prohibited liquor establishment unless by another prohibited liquor establishment that is also relocating from within the Excelsior Alcohol RUD.

~~(e) — Sunset Provision. This Section 785 shall be repealed five years after its initial effective date unless the Board of Supervisors, on or before that date, extends or re-enacts it.~~

Section 3. Effective Date. This ordinance shall become effective 30 days from the date of passage.

Section 4. This section is uncoded. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent part of the Planning Code that are explicitly shown in this legislation as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the legislation.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
ANDREA RUIZ-ESQUIDE  
Deputy City Attorney



1 (3) Continuation of Existing Prohibited Liquor Establishments. In the Excelsior  
2 Alcohol RUD, any prohibited liquor establishment may continue in accordance with Planning  
3 Code Section through 186.2. subject to the following provisions:

4 (A) A prohibited liquor establishment lawfully existing and selling  
5 alcoholic beverages as licensed by the State of California prior to the effective date of this  
6 legislation, or subsequent legislation prohibiting that type of liquor establishment, so long as  
7 otherwise lawful may continue to operate only under the following conditions, as provided by  
8 California Business and Professions Code Section 23790:

9 (i) Except as provided in Subsection (B) below, the premises  
10 shall retain the same type of retail liquor license within a license classification; and

11 (ii) Except as provided in Subsection (B) below, the liquor  
12 establishment shall be operated continuously, without substantial changes in mode or  
13 character of operation.

14 (B) A break in continuous service shall not be interpreted to include the  
15 following, provided that, except as indicated below, the location of the establishment does not  
16 change, the square footage used for the sale of alcoholic beverages does not increase, and  
17 the type of ABC License does not change:

18 (i) a change in ownership of a prohibited liquor establishment or  
19 an owner-to-owner transfer of an ABC License:

20 (ii) a temporary closure for restoration or repair of an existing  
21 prohibited liquor establishment on the same lot after total or partial destruction or damage due  
22 to fire, riot, insurrection, toxic accident, or act of God;

23 (iii) temporary closure of an existing prohibited liquor  
24 establishment for reasons other than total or partial destruction or damage due to fire, riot,  
25



insurrection, toxic accident, or act of God for not more than thirty days for repair, renovation, or remodeling; or

(iv) relocation of an existing prohibited liquor establishment in the Excelsior Alcohol RUD to another location within the same Excelsior Alcohol RUD with conditional use authorization from the Planning Commission, provided that the original premises shall not be occupied by a prohibited liquor establishment unless by another prohibited liquor establishment that is also relocating from within the Excelsior Alcohol RUD.

~~(e) — Sunset Provision. This Section 785 shall be repealed five years after its initial effective date unless the Board of Supervisors, on or before that date, extends or re-enacts it.~~

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APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
ANDREA RUIZ-ESQUIDE  
Deputy City Attorney







**LEGISLATIVE DIGEST**

[Planning Code - Deleting the Sunset Provision of the Excelsior Alcohol Restricted Use District.]

**Ordinance amending the San Francisco Planning Code Section 785 to delete the sunset provision of the Excelsior Alcohol Restricted Use District; and making findings, including environmental findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code Section 101.1.**

**Existing Law**

The Planning Code establishes several alcohol restricted use districts (RUDs) in the City. RUDs are areas where there is an unusually large number of establishments selling alcohol, contributing to numerous peace, health, safety and general welfare problems. No new liquor stores are allowed in RUDs. One such district is the Excelsior Alcohol Restricted Use District, which is located on Mission Street, from Silver Avenue to the Daly City border. This RUD was established in 2008, and it contains a sunset provision that mandates that it shall be repealed five years after its initial effective date, unless the Board of Supervisors extends or reenacts it.

**Amendments to Current Law**

This Ordinance amends the Excelsior Alcohol RUD, to delete the sunset provision.







[Planning Code, Zoning Map - Establishing Outer Mission Street Neighborhood Commercial District]

Ordinance amending the Planning Code, by adding a new section, to establish the Outer Mission Street Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line; repealing the Excelsior Alcohol Restricted Use District and adding controls on liquor establishments to the new Neighborhood Commercial District; amending various sections to make conforming and other technical changes; amending the Zoning Map to rezone specified properties to the new Neighborhood Commercial District; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the Priority Policies of Planning Code, Section 101.1.

NOTE: Additions are single-underline italics Times New Roman; deletions are ~~strike-through italics Times New Roman~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strikethrough normal~~. Ellipses indicate text that is omitted but unchanged.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference.

(b) Pursuant to Planning Code Section 302, this Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_ and the Board incorporates such



1 reasons herein by reference. A copy of Planning Commission Resolution No. \_\_\_\_\_ is  
2 on file with the Board of Supervisors in File No. \_\_\_\_\_.

3 (c) This Board finds that these Planning Code amendments are consistent with the  
4 General Plan and with the priority policies of Planning Code Section 101.1 for the reasons set  
5 forth in Planning Commission Resolution No. \_\_\_\_\_, and the Board hereby  
6 incorporates such reasons herein by reference.

7  
8 Section 2. The San Francisco Planning Code is hereby amended by adding Section  
9 745.1, to read as follows:

10 **SEC. 745.1. OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL DISTRICT.**

11 The Outer Mission Street Neighborhood Commercial District is located along Mission Street  
12 between Alemany Boulevard and the San Francisco-San Mateo county line. Outer Mission Street is  
13 mixed use, combining street-fronting retail businesses on the ground floor and housing on upper floors.  
14 The range of comparison goods and services offered is varied and often includes specialty retail stores,  
15 restaurants, and neighborhood-serving offices. The area is transit-oriented and the commercial uses  
16 serve residents of the area as well as residents and visitors from adjacent and other neighborhoods.

17 The Outer Mission Street Neighborhood Commercial District is intended to provide  
18 convenience goods and services to the surrounding neighborhoods as well as limited comparison  
19 shopping goods for a wider market. Housing development in new buildings is encouraged above the  
20 second story. Existing residential units are protected by limitations on demolitions and upper-story  
21 conversions. Parking for residential and commercial uses is not required. Buildings range in height,  
22 with height limits generally allowing up to four stories. Lots vary in size, generally small- or medium-  
23 sized with some very large parcels.



**SEC. 745. OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL DISTRICT**

**ZONING CONTROL TABLE**

			<u>Outer Mission Street</u>
<u>No.</u>	<u>Zoning Category</u>	<u>§ References</u>	<u>Controls</u>
<b><u>BUILDING STANDARDS</u></b>			
<u>745.10</u>	<u>Height and Bulk Limit</u>	<u>§§ 102.12, 105, 106, 250 - 252, 260, 261.1, 263.20, 270, 271</u>	<u>Generally 40-X; see Zoning Map. Height Sculpting on Alleys; § 261.1 Additional 5 feet in height allowed for Ground Floor Active Uses in 40-X and 50-X height districts; § 263.20</u>
<u>745.11</u>	<u>Lot Size [Per Development]</u>	<u>§§ 790.56, 121.1</u>	<u>P up to 9,999 sq. ft.; C 10,000 sq. ft. &amp; above</u>
<u>745.12</u>	<u>Rear Yard</u>	<u>§§ 130, 134, 136</u>	<u>Required at the second story and above: § 134(a)(1)(C)</u>
<u>745.13a</u>	<u>Street Frontage</u>	<u>§ 145.1</u>	<u>Required</u>
<u>745.13b</u>	<u>Street Frontage, Ground Floor Commercial</u>	<u>§ 145.4</u>	<u>Required</u>
<u>745.14</u>	<u>Awning</u>	<u>§ 136.1(a)</u>	<u>P</u>
<u>745.15</u>	<u>Canopy</u>	<u>§ 136.1(b)</u>	<u>P</u>
<u>745.16</u>	<u>Marquee</u>	<u>§ 136.1(c)</u>	<u>P</u>
<u>745.17</u>	<u>Streetscape and Pedestrian Improvements</u>	<u>§ 138.1</u>	<u>Required</u>



1 reasons herein by reference. A copy of Planning Commission Resolution No. \_\_\_\_\_ is  
2 on file with the Board of Supervisors in File No. \_\_\_\_\_.

3 (c) This Board finds that these Planning Code amendments are consistent with the  
4 General Plan and with the priority policies of Planning Code Section 101.1 for the reasons set  
5 forth in Planning Commission Resolution No. \_\_\_\_\_, and the Board hereby  
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**SEC. 745. OUTER MISSION STREET NEIGHBORHOOD COMMERCIAL DISTRICT**

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<u>No.</u>	<u>Zoning Category</u>	<u>§ References</u>	<u>Controls</u>
<b><u>BUILDING STANDARDS</u></b>			
<u>745.10</u>	<u>Height and Bulk Limit</u>	<u>§§ 102.12, 105, 106, 250 - 252, 260, 261.1, 263.20, 270, 271</u>	<u>Generally 40-X; see Zoning Map. Height Sculpting on Alleys; § 261.1 Additional 5 feet in height allowed for Ground Floor Active Uses in 40-X and 50-X height districts; § 263.20</u>
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<u>745.12</u>	<u>Rear Yard</u>	<u>§§ 130, 134, 136</u>	<u>Required at the second story and above: § 134(a)(1)(C)</u>
<u>745.13a</u>	<u>Street Frontage</u>	<u>§ 145.1</u>	<u>Required</u>
<u>745.13b</u>	<u>Street Frontage, Ground Floor Commercial</u>	<u>§ 145.4</u>	<u>Required</u>
<u>745.14</u>	<u>Awning</u>	<u>§ 136.1(a)</u>	<u>P</u>
<u>745.15</u>	<u>Canopy</u>	<u>§ 136.1(b)</u>	<u>P</u>
<u>745.16</u>	<u>Marquee</u>	<u>§ 136.1(c)</u>	<u>P</u>
<u>745.17</u>	<u>Streetscape and Pedestrian Improvements</u>	<u>§ 138.1</u>	<u>Required</u>



**COMMERCIAL AND INSTITUTIONAL STANDARDS AND USES**

<u>745.20</u>	<u>Floor Area Ratio</u>	<u>§§ 102.9, 102.11, 123</u>	<u>3.6 to 1 § 124 (a) (b)</u>
<u>745.21</u>	<u>Use Size [Non-Residential]</u>	<u>§ 790.130, § 121.2</u>	<u>P up to 5,999 sq. ft.; C 6,000 sq. ft. &amp; above</u>
<u>745.22</u>	<u>Off-Street Parking, Commercial/Institutional</u>	<u>§§ 145.1, 150, 151.1, 153 - 157, 159 - 160, 204.5</u>	<u>None required. Limits set forth in Section 151.1.</u>
<u>745.23</u>	<u>Off-Street Freight Loading</u>	<u>§§ 150, 153 - 155, 204.5, 152, 161(b)</u>	<u>Generally, none required if gross floor area is less than 10,000 sq. ft</u>
<u>745.24</u>	<u>Outdoor Activity Area</u>	<u>§§ 790.70, 145.2(a)</u>	<u>P if located in front; C if located elsewhere</u>
<u>745.25</u>	<u>Drive-Up Facility</u>	<u>§ 790.30</u>	
<u>745.26</u>	<u>Walk-Up Facility</u>	<u>§§ 790.140, 145.2(b)</u>	<u>P if recessed 3 ft.; C if not recessed</u>
<u>745.27</u>	<u>Hours of Operation</u>	<u>§ 790.48</u>	<u>No Limit</u>
<u>745.30</u>	<u>General Advertising Sign</u>	<u>§§ 262, 602 - 604, 608, 609</u>	
<u>745.31</u>	<u>Business Sign</u>	<u>§§ 262, 602 - 604, 607.1(f)3, 608, 609</u>	<u>P</u>
<u>745.32</u>	<u>Other Signs</u>	<u>§§ 262, 602 - 604, 607.1(c) (d) (g) 608, 609</u>	<u>P</u>



1	<u>No.</u>	<u>Zoning Category</u>	<u>§ References</u>	<u>Outer Mission Street</u>		
2				<u>Controls by Story</u>		
3			<u>§ 790.118</u>	<u>1st</u>	<u>2nd</u>	<u>3rd+</u>
4	<u>745.38</u>	<u>Residential Conversion</u>	<u>§ 790.84, 317</u>	<u>C</u>	<u>C</u>	<u>C</u>
5	<u>745.39</u>	<u>Residential Demolition</u>	<u>§ 790.86, 317</u>	<u>C</u>	<u>C</u>	<u>C</u>
6	<u>Retail Sales and Services</u>					
7	<u>745.40</u>	<u>Other Retail Sales and Services</u>	<u>§ 790.102</u>	<u>P #</u>	<u>P #</u>	<u>P #</u>
8		<u>[Not Listed Below]</u>				
9	<u>745.41</u>	<u>Bar</u>	<u>§ 790.22</u>	<u>P</u>	<u>P</u>	
10	<u>745.43</u>	<u>Limited-Restaurant</u>	<u>§ 790.90</u>	<u>P</u>	<u>P</u>	
11	<u>745.44</u>	<u>Restaurant</u>	<u>§ 790.91</u>	<u>P</u>	<u>P</u>	
12	<u>745.45</u>	<u>Liquor Store</u>	<u>§ 790.55</u>	<u>NP #</u>		
13	<u>745.46</u>	<u>Movie Theater</u>	<u>§ 790.64</u>	<u>P</u>	<u>P</u>	
14	<u>745.47</u>	<u>Adult Entertainment</u>	<u>§ 790.36</u>	<u>C</u>	<u>C</u>	
15	<u>745.48</u>	<u>Other Entertainment</u>	<u>§ 790.38</u>	<u>P</u>	<u>P</u>	
16	<u>745.49</u>	<u>Financial Service</u>	<u>§ 790.110</u>	<u>P</u>	<u>P</u>	
17	<u>745.50</u>	<u>Limited Financial Service</u>	<u>§ 790.112</u>	<u>P</u>	<u>P</u>	
18	<u>745.51</u>	<u>Medical Service</u>	<u>§ 790.114</u>	<u>P</u>	<u>P</u>	<u>P</u>
19	<u>745.52</u>	<u>Personal Service</u>	<u>§ 790.116</u>	<u>P</u>	<u>P</u>	<u>P</u>
20	<u>745.53</u>	<u>Business or Professional Service</u>	<u>§ 790.108</u>	<u>P</u>	<u>P</u>	<u>P</u>
21	<u>745.54</u>	<u>Massage Establishment</u>	<u>§ 790.60, § 1900</u>	<u>C</u>	<u>C</u>	
22			<u>Health Code</u>			
23	<u>745.55</u>	<u>Tourist Hotel</u>	<u>§ 790.46</u>	<u>C</u>	<u>C</u>	<u>C</u>
24	<u>745.56</u>	<u>Automobile Parking</u>	<u>§§ 790.8, 156, 158.1,</u>	<u>C</u>		



		<u>160</u>			
<u>745.57</u>	<u>Automobile Gas Station</u>	<u>§ 790.14</u>	<u>C</u>		
<u>745.58</u>	<u>Automotive Service Station</u>	<u>§ 790.17</u>	<u>C</u>		
<u>745.59</u>	<u>Automotive Repair</u>	<u>§ 790.15</u>	<u>C</u>	<u>C</u>	
<u>745.60</u>	<u>Automotive Wash</u>	<u>§ 790.18</u>	<u>C</u>		
<u>745.61</u>	<u>Automobile Sale or Rental</u>	<u>§ 790.12</u>	<u>C</u>		
<u>745.62</u>	<u>Animal Hospital</u>	<u>§ 790.6</u>	<u>C</u>	<u>C</u>	
<u>745.63</u>	<u>Ambulance Service</u>	<u>§ 790.2</u>	<u>C</u>		
<u>745.64</u>	<u>Mortuary</u>	<u>§ 790.62</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>745.65</u>	<u>Trade Shop</u>	<u>§ 790.124</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>745.66</u>	<u>Storage</u>	<u>§ 790.117</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>745.68</u>	<u>Fringe Financial Services</u>	<u>§ 790.111</u>	<u>#</u>		
<u>745.69</u>	<u>Tobacco Paraphernalia</u>	<u>§ 790.123</u>	<u>C</u>		
	<u>Establishments</u>				
<u>745.69B</u>	<u>Amusement Game Arcade</u>	<u>§ 790.4</u>	<u>C</u>		
	<u>(Mechanical Amusement</u>				
	<u>Devices)</u>				
<u>745.69C</u>	<u>Neighborhood Agriculture</u>	<u>§ 102.35(a)</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>745.69D</u>	<u>Large-Scale Urban Agriculture</u>	<u>§ 102.35(b)</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>Institutions and Non-Retail Sales and Services</u>					
<u>745.70</u>	<u>Administrative Service</u>	<u>§ 790.106</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>745.80</u>	<u>Hospital or Medical Center</u>	<u>§ 790.44</u>	<u>C</u>	<u>C</u>	<u>C</u>
<u>745.81</u>	<u>Other Institutions, Large</u>	<u>§ 790.50</u>	<u>P</u>	<u>P</u>	<u>P</u>
<u>745.82</u>	<u>Other Institutions, Small</u>	<u>§ 790.51</u>	<u>P</u>	<u>P</u>	<u>P</u>



745.83	<u>Public Use</u>	<u>§ 790.80</u>	<u>C</u>	<u>C</u>	<u>C</u>
745.84	<u>Medical Cannabis Dispensary</u>	<u>§ 790.141</u>	<u>P #</u>		
<b><u>RESIDENTIAL STANDARDS AND USES</u></b>					
745.90	<u>Residential Use</u>	<u>§ 790.88</u>	<u>P, except</u>	<u>P</u>	<u>P</u>
			<u>C for</u>		
			<u>front-</u>		
			<u>ages</u>		
			<u>listed in</u>		
			<u>145.1</u>		
			<u>(d)</u>		
745.91	<u>Residential Density, Dwelling</u>	<u>§§ 207, 207.1,</u>	<u>Generally, 1 unit per 600 sq. ft.</u>		
	<u>Units</u>	<u>790.88(a)</u>	<u>lot area</u>		
745.92	<u>Residential Density, Group</u>	<u>§§ 207.1, 208,</u>	<u>Generally, 1 bedroom per 210</u>		
	<u>Housing</u>	<u>790.88(b)</u>	<u>sq. ft. lot area</u>		
745.93	<u>Usable Open Space [Per</u>	<u>§§ 135, 136</u>	<u>Generally, either 80 sq. ft. if</u>		
	<u>Residential Unit]</u>		<u>private, or 100 sq. ft. if</u>		
			<u>common § 135(d)</u>		
745.94	<u>Off-Street Parking, Residential</u>	<u>§§ 145.1, 150, 151.1,</u>	<u>P up to one car for each unit;</u>		
		<u>153- 157, 159- 160,</u>	<u>NP above</u>		
		<u>166, 167, 204.5</u>			
745.95	<u>Community Residential Parking</u>	<u>§ 790.10, 145.1, 166</u>	<u>C</u>		



**SPECIFIC PROVISIONS FOR THE OUTER MISSION STREET**

**NEIGHBORHOOD COMMERCIAL DISTRICT**

<u>Article</u>		
<u>7 Code</u>		
<u>Section</u>	<u>Other Code Section</u>	<u>Zoning Controls</u>
§ 745.40	§§ 790.55, 790.102(a), 790.102(b)	<u><b>OFF-SALE LIQUOR ESTABLISHMENTS</b></u>
§ 745.45		<u><b>Boundaries: Outer Mission Street Neighborhood</b></u>
		<u><b>Commercial District.</b></u>
		<u><b>Controls:</b></u>
		<u>(a) New Liquor Store uses are not permitted in</u>
		<u>the district.</u>
		<u>(b) Liquor Store uses may relocate within the</u>
		<u>district with conditional use authorization.</u>
		<u>(c) General Grocery, Specialty Grocery, and</u>
		<u>Liquor Store uses with off-sale alcohol licenses shall</u>
		<u>observe the following good neighbor policies:</u>
		<u>(1) Liquor establishments shall provide outside</u>
		<u>lighting in a manner sufficient to illuminate street and</u>
		<u>sidewalk areas and adjacent parking, as appropriate</u>
		<u>to maintain security, without disturbing area</u>
		<u>residences;</u>
		<u>(2) Advertisements in windows and clear doors</u>
		<u>are not permitted, and no more than 25 percent of the</u>
		<u>square footage of the windows and clear doors of</u>
		<u>liquor establishments shall bear signage of any sort,</u>



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		<i>and all signage shall be placed and maintained in a manner that ensures that law enforcement personnel have a clear and unobstructed view of the interior of the premises, including the area in which the cash registers are maintained, from the exterior public sidewalk or entrance to the premises.</i>
<u>§ 745.68</u>	<u>§ 249.35</u>	<p><b><u>FRINGE FINANCIAL SERVICE RESTRICTED USE DISTRICT (FFSRUD)</u></b></p> <p><b><u>Boundaries:</u></b> <i>The FFSRUD and its ¼ mile buffer includes, but is not limited to, properties within the Outer Mission Street Neighborhood Commercial District.</i></p> <p><b><u>Controls:</u></b> <i>Within the FFSRUD and its ¼ mile buffer, fringe financial services are NP pursuant to Section 249.35. Outside the FFSRUD and its ¼ mile buffer, fringe financial services are P subject to the restrictions set forth in Section 249.35(c)(3).</i></p>
<u>§ 745.84</u> <u>§ 790.141</u>	<u>Health Code § 3308</u>	<p><b><u>MEDICAL CANNABIS DISPENSARIES</u></b></p> <p><b><u>Boundaries:</u></b> <i>Outer Mission Street Neighborhood Commercial District</i></p> <p><b><u>Controls:</u></b></p> <p><i>(a) A Medical Cannabis Dispensary is not permitted within 500 feet of another Medical Cannabis Dispensary use.</i></p> <p><i>(b) A Medical Cannabis Dispensary may only</i></p>



operate between the hours of 8 am and 10 pm.

Section 3. The San Francisco Planning Code is hereby amended by repealing Section 785, as follows:

***SEC. 785. EXCELSIOR ALCOHOL RESTRICTED-USE DISTRICT.***

*(a) Findings. There are an unusually large number of establishments dispensing alcoholic beverages, including beer and wine, for off-site consumption in the area located generally on Mission Street from Silver Avenue to the Daly City border. The existence of this many off-sale alcoholic beverage establishments appears to contribute directly to numerous peace, health, safety, and general welfare problems in the area, including loitering, littering, public drunkenness, defacement and damaging of structures, pedestrian obstructions, as well as traffic circulation, parking and noise problems on public streets and neighborhood lots. The existence of these problems creates serious impacts on the health, safety, and welfare of residents of nearby single- and multiple-family areas, including fear for the safety of children, elderly residents, and visitors to the area. The problems also contribute to the deterioration of the neighborhood and concomitant devaluation of property and destruction of community values and quality of life. The number of establishments selling alcoholic beverages for off-site consumption and the associated problems discourage more desirable and needed commercial uses in the area.*

*(b) Establishment of the Excelsior Alcohol Restricted Use District. In order to preserve the residential character and the neighborhood-serving commercial uses of the area, the Excelsior Alcohol Restricted Use District (Excelsior Alcohol RUD) is hereby established for the blocks and lots fronting both sides of Mission Street from Silver Avenue to the Daly City border, as set forth on Sectional Maps SU-11 and SU-12 of the Zoning Maps of the City and County of San Francisco.*

*(c) Definitions. The following definitions shall apply to this Section 785:*



1 *(1) "ABC License" shall mean a liquor license issued by the California Department of*  
2 *Alcoholic Beverage Control.*

3 *(2) "Liquor establishment" shall mean any enterprise selling alcoholic beverages, as*  
4 *defined in California Business and Professions Code Sections 23004 and 23025, pursuant to an ABC*  
5 *License.*

6 *(3) "Prohibited liquor establishment" shall mean any establishment selling alcoholic*  
7 *beverages lawfully existing prior to the effective date of this ordinance and licensed by the State of*  
8 *California for the sale of alcoholic beverages for off-site consumption ("off-sale"), so long as otherwise*  
9 *lawful. It shall include an establishment that is defined in Section 790.55 of this Code.*

10 ***(d) Controls.***

11 *(1) No new liquor establishments selling alcoholic beverages for off-site consumption*  
12 *shall be permitted in the Excelsior Alcohol RUD.*

13 *(2) The prohibition of off-sale liquor establishments shall not be interpreted to prohibit*  
14 *the following:*

15 *(A) Temporary uses, as described in Planning Code Section 205.1 or 205.3; or*

16 *(B) Establishment of an off-sale liquor establishment if an application for such*  
17 *liquor establishment is on file with the California Department of Alcoholic Beverage Control prior to*  
18 *the effective date of this ordinance establishing the Excelsior Alcohol RUD; or*

19 *(3) Continuation of Existing Prohibited Liquor Establishments. In the Excelsior*  
20 *Alcohol RUD, any prohibited liquor establishment may continue in accordance with Planning Code*  
21 *Section through 186.2, subject to the following provisions:*

22 *(A) A prohibited liquor establishment lawfully existing and selling alcoholic*  
23 *beverages as licensed by the State of California prior to the effective date of this legislation, or*  
24 *subsequent legislation prohibiting that type of liquor establishment, so long as otherwise lawful may*



~~continue to operate only under the following conditions, as provided by California Business and Professions Code Section 23790:~~

~~(i) Except as provided in Subsection (B) below, the premises shall retain the same type of retail liquor license within a license classification; and~~

~~(ii) Except as provided in Subsection (B) below, the liquor establishment shall be operated continuously, without substantial changes in mode or character of operation.~~

~~(B) A break in continuous service shall not be interpreted to include the following, provided that, except as indicated below, the location of the establishment does not change, the square footage used for the sale of alcoholic beverages does not increase, and the type of ABC License does not change:~~

~~(i) a change in ownership of a prohibited liquor establishment or an owner-to-owner transfer of an ABC License;~~

~~(ii) a temporary closure for restoration or repair of an existing prohibited liquor establishment on the same lot after total or partial destruction or damage due to fire, riot, insurrection, toxic accident, or act of God;~~

~~(iii) temporary closure of an existing prohibited liquor establishment for reasons other than total or partial destruction or damage due to fire, riot, insurrection, toxic accident, or act of God for not more than thirty days for repair, renovation, or remodeling; or~~

~~(iv) relocation of an existing prohibited liquor establishment in the Excelsior Alcohol RUD to another location within the same Excelsior Alcohol RUD with conditional use authorization from the Planning Commission, provided that the original premises shall not be occupied by a prohibited liquor establishment unless by another prohibited liquor establishment that is also relocating from within the Excelsior Alcohol RUD.~~

~~(e) **Sunset Provision.** This Section 785 shall be repealed five years after its initial effective date unless the Board of Supervisors, on or before that date, extends or re-enacts it.~~



Section 4. The San Francisco Planning Code is hereby amended by amending Sections 207.4, 249.35, 263.20, 607.1, and 702.1, to read as follows:

**SEC. 207.4. DENSITY OF DWELLING UNITS IN NEIGHBORHOOD COMMERCIAL DISTRICTS.**

The density of dwelling units in Neighborhood Commercial Districts shall be as stated in the following subsections:

(a) The rules for calculation of dwelling unit densities set forth in Section 207.1 of this Code shall apply in Neighborhood Commercial Districts, except that any remaining fraction of  $\frac{1}{2}$  or more of the minimum amount of lot area per dwelling unit shall be adjusted upward to the next higher whole number of dwelling units.

The dwelling unit density in Neighborhood Commercial Districts shall be at a density ratio not exceeding the number of dwelling units permitted in the nearest Residential District, provided that the maximum density ratio shall in no case be less than the amount set forth in the zoning control following table for the district. The distance to each Residential District shall be measured from the midpoint of the front lot line or from a point directly across the street therefrom, whichever permits the greater density.

<i>NC District</i>	<i>Residential Density Limits</i>	
<i>NC-1</i>	<i>One dwelling unit for each 800 sq. ft. of lot area.</i>	
<i>NC-2</i>		
<i>NC-3</i>		
<i>Inner Sunset</i>		
<i>Sacramento Street</i>		
<i>West Portal Avenue</i>		
<i>NC-3</i>	<i>One dwelling unit for each 600 sq. ft. of lot area.</i>	



1	<i>Castro Street</i>	
2	<i>Inner Clement Street</i>	
3	<i>Outer Clement Street</i>	
4	<i>Upper Fillmore Street</i>	
5	<i>Haight Street</i>	
6	<i>Union Street</i>	
7	<i>24th Street-Mission</i>	
8	<i>24th Street-Noe Valley</i>	
9	<i>Broadway</i>	<i>One dwelling unit for each 400 sq.-ft. of lot area.</i>
10	<i>Upper Market Street</i>	
11	<i>North Beach</i>	
12	<i>Polk Street</i>	

(b) The dwelling unit density for dwellings specifically designed for and occupied by senior citizens or ~~physically handicapped~~ persons *with physical disabilities* shall be at a density ratio not exceeding twice the number of dwelling units permitted by the limits set forth in Subsection (a).

(c) The dwelling unit density in NCT Districts, as listed in Section 702.1(b), shall not be limited by lot area, but by the applicable requirements and limitations elsewhere in this Code, including but not limited to height, bulk, setbacks, open space, exposure, and unit mix, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department.

#### **SEC. 249.35. FRINGE FINANCIAL SERVICE RESTRICTED USE DISTRICT.**

(a) **Findings.** There are an unusually large number of establishments providing fringe financial services, including check cashing and payday lending, in the neighborhoods included



1 in the Mission Alcoholic Beverage Special Use District, the North of Market Residential  
2 Special Use District, ~~the Divisadero Street Alcohol Restricted Use District~~, the Third Street Alcohol  
3 Restricted Use District, and the Haight Street Alcohol Restricted Use Subdistrict ~~and the~~  
4 ~~proposed Excelsior Alcohol Restricted Use District~~. The unchecked proliferation of these  
5 businesses has the potential to displace other financial service providers, including charter  
6 banks, which offer a much broader range of financial services, as well as other desired  
7 commercial development in the City, which provides a broad range of neighborhood  
8 commercial goods and services.

9 **(b) Establishment of the Fringe Financial Service Restricted Use District.** In order  
10 to preserve the residential character and the neighborhood-serving commercial uses of the  
11 following defined areas, a noncontiguous Fringe Financial Service Restricted Use District  
12 (Fringe Financial Service RUD) is hereby established for the following properties:

13 (1) Properties in the Mission Alcoholic Beverage Special Use District, as  
14 described in Section 781.8 of this Code and as designated on Zoning Maps Numbers SU07  
15 and SU08 of the Zoning Map of the City and County of San Francisco;

16 (2) Properties in the North of Market Residential Special Use District, as  
17 described in Section 249.5 of this Code and as designated on Zoning Maps Numbers SU01  
18 and SU02;

19 (3) Properties in the Divisadero Street and Outer Mission Street Neighborhood  
20 Commercial Districts Alcohol Restricted Use District, as described in Section 783 of this Code and as  
21 designated on Zoning Maps Numbers SU02 and SU07 of the Zoning Map of the City and County of San  
22 Francisco;

23 (4) Properties in the Third Street Alcohol Restricted Use District, as described in  
24 Section 782 of this Code and as designated on Zoning Map Number SU10 of the Zoning Map  
25 of the City and County of San Francisco; and



(5) Properties in the Haight Street Alcohol Restricted Use Subdistrict, as described in Section 781.9 of this Code and as designated on Zoning Maps Numbers SU06 and SU07 of the Zoning Map of the City and County of San Francisco; and

~~(6) Properties in the proposed Excelsior Alcohol Restricted Use District, which included Assessor's Blocks and Lots fronting on both sides of Mission Street from Silver Avenue to the Daly City-San Francisco border as set forth in Special Use District Maps SU11 and SU12 of the Zoning Map of the City and County of San Francisco. Inclusion of these properties in the Fringe Financial Service RUD shall survive any sunset provisions of the proposed Excelsior Alcohol Restricted Use District.~~

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**SEC. 263.20. SPECIAL HEIGHT EXCEPTION: ADDITIONAL FIVE FEET HEIGHT FOR ACTIVE GROUND FLOOR USES IN CERTAIN DISTRICTS.**

(a) **Intent.** In order to encourage generous ground floor ceiling heights for commercial and other active uses, encourage additional light and air into ground floor spaces, allow for walk-up ground floor residential uses to be raised slightly from sidewalk level for privacy and usability of front stoops, and create better building frontage on the public street, up to an additional 5' of height is allowed along major streets in NCT districts, or in specific districts listed below, for buildings that feature either higher ground floor ceilings for non-residential uses or ground floor residential units (that have direct walk-up access from the sidewalk) raised up from sidewalk level.

(b) **Applicability.** The special height exception described in this section shall only apply to projects that meet all of the following criteria:

(1) project is located in a 30-X, 40-X or 50-X Height and Bulk District as designated on the Zoning Map;

(2) project is located:

(A) in an NCT district as designated on the Zoning Map;



1 (B) in the ~~Upper Market Street~~, Inner Clement Street, and Outer Clement  
2 Street, Irving Street, Judah Street, Upper Market Street, Outer Mission Street, Noriega Street, and  
3 Taraval Street NCDs;

4 (C) ~~on a NC-2 or NC-3 designated parcel fronting Mission Street, from Silver~~  
5 ~~Avenue to the Daly City border;~~

6 ~~(D)~~ on a NC-2 designated parcel on Balboa Street between 2nd Avenue  
7 and 8th Avenue, and between 32nd Avenue and 39th Avenue;

8 ~~(D)~~ ~~(E)~~ on a NC-1 designated parcel within the boundaries of Sargent  
9 Street to Orizaba Avenue to Lobos Street to Plymouth Avenue to Farallones Street to San  
10 Jose Avenue to Alemany Boulevard to 19th Avenue to Randolph Street to Monticello Street  
11 and back to Sargent Street; or

12 ~~(E)~~ ~~(F)~~ on a NC-3 designated parcel fronting on Geary Boulevard from  
13 Masonic Avenue to 28th Avenue, except for parcels on the north side of Geary Boulevard  
14 between Palm Avenue and Parker Avenue;

15 ~~(F)~~ ~~(G)~~ on a parcel zoned NC-1 or NC-2 with a commercial use on the  
16 ground floor on Noriega Street west of 19th Avenue;

17 ~~(G)~~ ~~(H)~~ on a parcel zoned NC-1 or NC-2 with a commercial use on the  
18 ground floor on Irving Street west of 19th Avenue;

19 ~~(H)~~ ~~(I)~~ on a parcel zoned NC-1 or NC-2 with a commercial use on the  
20 ground floor on Taraval Street west of 19th Avenue;

21 ~~(I)~~ ~~(J)~~ on a parcel zoned NC-1 or NC-2 with a commercial use on the  
22 ground floor on Judah Street west of 19th Avenue;

23 (3) project features ground floor commercial space or other active use as  
24 defined by Section 145.1(b)(2) with clear ceiling heights in excess of ten feet from sidewalk  
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grade, or in the case of residential uses, such walk-up residential units are raised up from sidewalk level;

(4) said ground floor commercial space, active use, or walk-up residential use is primarily oriented along a right-of-way wider than 40 feet;

(5) said ground floor commercial space or active use occupies at least 50% of the project's ground floor area; and

(6) except for projects located in NCT districts, the project sponsor has conclusively demonstrated that the additional 5' increment allowed through Section 263.20 would not add new shadow to any public open spaces.

(c) One additional foot of height, up to a total of five feet, shall be permitted above the designated height limit for each additional foot of ground floor clear ceiling height in excess of 10 feet from sidewalk grade, or in the case of residential units, for each foot the unit is raised above sidewalk grade.

\* \* \* (Diagram not shown but not to be deleted.)

**SEC. 607.1. NEIGHBORHOOD COMMERCIAL AND RESIDENTIAL-COMMERCIAL DISTRICTS.**

\* \* \*

(f) **Business Signs.** Business signs, as defined in Section 602.3 shall be permitted in all Neighborhood Commercial and Residential-Commercial Districts subject to the limits set forth below.

**(1) NC-1 and NCT-1 Districts.**

(A) **Window Signs.** The total area of all window signs, as defined in Section 602.1(b), shall not exceed 1/3 the area of the window on or in which the signs are located. Such signs may be nonilluminated, indirectly illuminated, or directly illuminated.



1 (B) **Wall Signs.** The area of all wall signs shall not exceed one square  
2 foot per square foot of street frontage occupied by the business measured along the wall to  
3 which the signs are attached, or 50 square feet for each street frontage, whichever is less.  
4 The height of any wall sign shall not exceed 15 feet or the height of the wall to which it is  
5 attached. Such signs may be nonilluminated or indirectly illuminated; or during business  
6 hours, may be directly illuminated.

7 (C) **Projecting Signs.** The number of projecting signs shall not exceed  
8 one per business. The area of such sign, as defined in Section 602.1(a), shall not exceed 24  
9 square feet. The height of such sign shall not exceed 15 feet or the height of the wall to which  
10 it is attached. No part of the sign shall project more than 75 percent of the horizontal distance  
11 from the street property line to the curbline, or six feet six inches, whichever is less. The sign  
12 may be nonilluminated or indirectly illuminated, or during business hours, may be directly  
13 illuminated.

14 (D) **Signs on Awnings.** Sign copy may be located on permitted awnings  
15 in lieu of wall signs and projecting signs. The area of such sign copy as defined in Section  
16 602.1(c) shall not exceed 20 square feet. Such sign copy may be nonilluminated or indirectly  
17 illuminated.

18 (2) **RC, NC-2, NCT-2, NC-S, Broadway, Castro Street, Inner Clement Street,**  
19 **Outer Clement Street, Upper Fillmore Street, Inner Sunset, Irving Street, Haight Street,**  
20 **Hayes-Gough, Judah Street, Upper Market Street, Outer Mission Street, Noriega Street, North**  
21 **Beach, Ocean Avenue, Pacific Avenue, Polk Street, Sacramento Street, SoMa, Taraval**  
22 **Street, Union Street, Valencia Street, 24th Street - Mission, 24th Street - Noe Valley, West**  
23 **Portal Avenue, and Glen Park Neighborhood Commercial Districts.**  
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1                   (A) **Window Signs.** The total area of all window signs, as defined in  
2     Section 602.1(b), shall not exceed 1/3 the area of the window on or in which the signs are  
3     located. Such signs may be nonilluminated, indirectly illuminated, or directly illuminated.

4                   (B) **Wall Signs.** The area of all wall signs shall not exceed two square  
5     feet per foot of street frontage occupied by the use measured along the wall to which the  
6     signs are attached, or 100 square feet for each street frontage, whichever is less. The height  
7     of any wall sign shall not exceed 24 feet, or the height of the wall to which it is attached, or the  
8     height of the lowest of any residential windowsill on the wall to which the sign is attached,  
9     whichever is lower. Such signs may be nonilluminated, indirectly, or directly illuminated.

10                  (C) **Projecting Signs.** The number of projecting signs shall not exceed  
11     one per business. The area of such sign, as defined in Section 602.1(a), shall not exceed 24  
12     square feet. The height of such sign shall not exceed 24 feet, or the height of the wall to which  
13     it is attached, or the height of the lowest of any residential windowsill on the wall to which the  
14     sign is attached, whichever is lower. No part of the sign shall project more than 75 percent of  
15     the horizontal distance from the street property line to the curbline, or six feet six inches,  
16     whichever is less. Such signs may be nonilluminated or indirectly illuminated; or during  
17     business hours, may be directly illuminated.

18                  (D) **Signs on Awnings and Marquees.** Sign copy may be located on  
19     permitted awnings or marquees in lieu of projecting signs. The area of such sign copy as  
20     defined in Section 602.1(c) shall not exceed 30 square feet. Such sign copy may be  
21     nonilluminated or indirectly illuminated; except that sign copy on marquees for movie theaters  
22     or places of entertainment may be directly illuminated during business hours.

23                  (E) **Freestanding Signs and Sign Towers.** With the exception of  
24     automotive gas and service stations, which are regulated under Paragraph 607.1(f)(4), one  
25     freestanding sign or sign tower per lot shall be permitted in lieu of a projecting sign, if the



building or buildings are recessed from the street property line. The existence of a freestanding business sign shall preclude the erection of a freestanding identifying sign on the same lot. The area of such freestanding sign or sign tower, as defined in Section 602.1(a), shall not exceed 20 square feet nor shall the height of the sign exceed 24 feet. No part of the sign shall project more than 75 percent of the horizontal distance from the street property line to the curbline, or six feet, whichever is less. Such signs may be nonilluminated or indirectly illuminated; or during business hours, may be directly illuminated.

**(3) Mission Street NCT, NC-3, and NCT-3 Neighborhood Commercial Districts.**

**(A) Window Signs.** The total area of all window signs, as defined in Section 602.1(b), shall not exceed 1/3 the area of the window on or in which the signs are located. Such signs may be nonilluminated, indirectly illuminated, or directly illuminated.

**(B) Wall Signs.** The area of all wall signs shall not exceed three square feet per foot of street frontage occupied by the use measured along the wall to which the signs are attached, or 150 square feet for each street frontage, whichever is less. The height of any wall sign shall not exceed 24 feet, or the height of the wall to which it is attached, or the height of the lowest of any residential windowsill on the wall to which the sign is attached, whichever is lower. Such signs may be nonilluminated, indirectly, or directly illuminated.

**(C) Projecting Signs.** The number of projecting signs shall not exceed one per business. The area of such sign, as defined in Section 602.1(a), shall not exceed 32 square feet. The height of the sign shall not exceed 24 feet, or the height of the wall to which it is attached, or the height of the lowest of any residential windowsill on the wall to which the sign is attached, whichever is lower. No part of the sign shall project more than 75 percent of the horizontal distance from the street property line to the curbline, or six feet six inches, whichever is less. Such signs may be nonilluminated, indirectly, or directly illuminated.



1                   (D) **Sign Copy on Awnings and Marquees.** Sign copy may be located  
2 on permitted awnings or marquees in lieu of projecting signs. The area of such sign copy, as  
3 defined in Section 602.1(c), shall not exceed 40 square feet. Such sign copy may be  
4 nonilluminated or indirectly illuminated; except that sign copy on marquees for movie theaters  
5 or places of entertainment may be directly illuminated during business hours.

6                   (E) **Freestanding Signs and Sign Towers.** With the exception of  
7 automotive gas and service stations, which are regulated under Paragraph 607.1(f)(4) of this  
8 Code, one freestanding sign or sign tower per lot shall be permitted in lieu of a projecting sign  
9 if the building or buildings are recessed from the street property line. The existence of a  
10 freestanding business sign shall preclude the erection of a freestanding identifying sign on the  
11 same lot. The area of such freestanding sign or sign tower, as defined in Section 602.1(a),  
12 shall not exceed 30 square feet nor shall the height of the sign exceed 24 feet. No part of the  
13 sign shall project more than 75 percent of the horizontal distance from the street property line  
14 to the curbline, or six feet, whichever is less. Such signs may be nonilluminated or indirectly  
15 illuminated, or during business hours, may be directly illuminated.

16                   (4) **Special Standards for Automotive Gas and Service Stations.** For  
17 automotive gas and service stations in Neighborhood Commercial Districts, only the following  
18 signs are permitted, subject to the standards in this Paragraph (f)(4) and to all other standards  
19 in this Section 607.1.

20                   (A) A maximum of two oil company signs, which shall not extend *more*  
21 *than 10 feet* above the roofline if attached to a building, or exceed the maximum height  
22 permitted for freestanding signs in the same district if freestanding. The area of any such sign  
23 shall not exceed 180 square feet, and along each street frontage, all parts of such a sign or  
24 signs that are within 10 feet of the street property line shall not exceed 80 square feet in area.  
25 No such sign shall project more than five feet beyond any street property line. The areas of



1 other permanent and temporary signs as covered in Subparagraph (B) below shall not be  
2 included in the calculation of the areas specified in this Subparagraph.

3 (B) Other permanent and temporary business signs, not to exceed 30  
4 square feet in area for each such sign or a total of 180 square feet for all such signs on the  
5 premises. No such sign shall extend above the roofline if attached to a building, or in any case  
6 project beyond any street property line or building setback line.

7 \* \* \*

8 **SEC. 702.1. NEIGHBORHOOD COMMERCIAL USE DISTRICTS.**

9 (a) The following districts are established for the purpose of implementing the  
10 Commerce and Industry element and other elements of the General Plan, according to the  
11 objective and policies stated therein. Description and Purpose Statements outline the main  
12 functions of each Neighborhood Commercial (NC) District in the Zoning Plan for San  
13 Francisco, supplementing the statements of purpose contained in Section 101 of this Code.

14 The description and purpose statements and land use controls applicable to each of  
15 the general and individual area districts are set forth in ~~Sections 710.1 through 784~~ of this Code  
16 for each district class. The boundaries of the various Neighborhood Commercial Districts are  
17 shown on the Zoning Map referred to in Sections 105 and 106 of this Code, subject to the  
18 provisions of that Section.

Neighborhood Commercial General Area Districts	Section Number
NC-1 - Neighborhood Commercial Cluster District	§ 710
NC-2 - Small-Scale Neighborhood Commercial District	§ 711
NC-3 - Moderate-Scale Neighborhood Commercial District	§ 712
NC-S - Neighborhood Commercial Shopping Center District	§ 713
<del>NC-T - Neighborhood Commercial Transit Cluster District</del>	<del>§ 733A</del>



1	<i>NCT-2 Small-Scale-Neighborhood-Commercial-Transit-District</i>	<i>§ 734</i>
2	<i>NCT-3—Moderate-Scale-Neighborhood-Commercial-Transit-District</i>	<i>§ 731</i>
3	<b><u>Named Neighborhood Commercial Individual-Area Districts</u></b>	<b>Section Number</b>
4	Broadway Neighborhood Commercial District	§ 714
5	Castro Street Neighborhood Commercial District	§ 715
6	Inner Clement Street Neighborhood Commercial District	§ 716
7	Outer Clement Street Neighborhood Commercial District	§ 717
8	Upper Fillmore Street Neighborhood Commercial District	§ 718
9	Haight Street Neighborhood Commercial District	§ 719
10	<i>Hayes-Gough-Neighborhood-Commercial-Transit-District</i>	<i>§ 720</i>
11	Upper Market Street Neighborhood Commercial District	§ 721
12	North Beach Neighborhood Commercial District	§ 722
13	Polk Street Neighborhood Commercial District	§ 723
14	Sacramento Street Neighborhood Commercial District	§ 724
15	Union Street Neighborhood Commercial District	§ 725
16	<i>Valencia-Street-Neighborhood-Commercial-District</i>	<i>§ 726</i>
17	<i>24th-Street-Mission-Neighborhood-Commercial-District</i>	<i>§ 727</i>
18	24th Street-Noe Valley Neighborhood Commercial District	§ 728
19	West Portal Avenue Neighborhood Commercial District	§ 729
20	Inner Sunset Neighborhood Commercial District	§ 730
21	<i>Upper-Market-Street-Neighborhood-Commercial-Transit-District</i>	<i>§ 732</i>
22	<i>SoMa-Neighborhood-Commercial-Transit-District</i>	<i>§ 735</i>
23	<i>Mission-Street-Neighborhood-Commercial-Transit-District</i>	<i>§ 736</i>
24	<i>Ocean-Avenue-Neighborhood-Commercial-Transit-District</i>	<i>§ 737</i>
25	<u>Noriega Street Neighborhood Commercial District</u>	<u>§ 739.1</u>
	<u>Irving Street Neighborhood Commercial District</u>	<u>§ 735 § 740.1</u>



<u>Taraval Street Neighborhood Commercial District</u>	<u>§ 736 § 741.1</u>
<u>Judah Street Neighborhood Commercial District</u>	<u>§ 737 § 742.1</u>
<u>Outer Mission Street Neighborhood Commercial District</u>	<u>§ 745.1</u>

(b) The following districts are Neighborhood Commercial Transit (NCT) Districts, including both general area districts and individual area districts identified by street or area name. These districts are a subset of the Neighborhood Commercial (NC) Districts.

<b><i>Neighborhood Commercial Transit Districts</i></b>	<b><i>Section Number</i></b>
<i>Hayes-Gough-Neighborhood-Commercial-Transit-District</i>	<i>§ 720</i>
<i>Valencia Street-Neighborhood-Commercial-Transit-District</i>	<i>§ 726</i>
<i>24th Street – Mission-Neighborhood-Commercial-Transit-District</i>	<i>§ 727</i>
<i>NCT-3 – Moderate-Scale-Neighborhood-Commercial-Transit-District</i>	<i>§ 731</i>
<i>Upper Market Street-Neighborhood-Commercial-Transit-District</i>	<i>§ 732</i>
<i>NCT-1-Neighborhood-Commercial-Transit-Cluster-District</i>	<i>§ 733A</i>
<i>NCT-2-Small-Scale-Neighborhood-Commercial-Transit-District</i>	<i>§ 734</i>
<i>SoMa-Neighborhood-Commercial-Transit-District</i>	<i>§ 735</i>
<i>Mission Street-Neighborhood-Commercial-Transit-District</i>	<i>§ 736</i>
<i>Ocean Avenue-Neighborhood-Commercial-Transit-District</i>	<i>§ 737</i>
<i>Glen Park-Neighborhood-Commercial-Transit-District</i>	<i>§ 738</i>

<b><u>Neighborhood Commercial Transit Districts</u></b>	<b><u>Section Number</u></b>
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<u>NCT-1 Neighborhood Commercial Transit Cluster District</u>	<u>§ 733A</u>
<u>NCT-2 Small Scale Neighborhood Commercial Transit District</u>	<u>§ 734</u>
<u>NCT-3 - Moderate-Scale Neighborhood Commercial Transit District</u>	<u>§ 731</u>
<u>Named Neighborhood Commercial Transit (NCT) Districts</u>	<u>702.1</u>
<u>Hayes-Gough Neighborhood Commercial Transit District</u>	<u>§ 720</u>
<u>Valencia Street Neighborhood Commercial Transit District</u>	<u>§ 726</u>
<u>24th Street - Mission Neighborhood Commercial Transit District</u>	<u>§ 727</u>
<u>Upper Market Street Neighborhood Commercial Transit District</u>	<u>§ 732</u>
<u>SoMa Neighborhood Commercial Transit District</u>	<u>§ 735</u>
<u>Mission Street Neighborhood Commercial Transit District</u>	<u>§ 736</u>
<u>Ocean Avenue Neighborhood Commercial Transit District</u>	<u>§ 737</u>
<u>Glen Park Neighborhood Commercial Transit District</u>	<u>§ 738</u>

NCT Districts are transit-oriented moderate- to high-density mixed-use neighborhoods of varying scale concentrated near transit services. The NCT Districts are mixed use districts that support neighborhood-serving commercial uses on lower floors and housing above. These districts are well-served by public transit and aim to maximize residential and commercial opportunities on or near major transit services. The district's form can be either linear along transit-priority corridors, concentric around transit stations, or broader areas where transit services criss-cross the neighborhood. Housing density is limited not by lot area, but by the regulations on the built envelope of buildings, including height, bulk, setbacks, and lot coverage, and standards for residential uses, including open space and exposure, and urban design guidelines. Residential parking is not required and generally limited. Commercial establishments are discouraged or prohibited from building accessory off-street parking in order to preserve the pedestrian-oriented character of the district and prevent attracting auto traffic. There are prohibitions on access (i.e. driveways, garage entries) to off-street parking



and loading on critical stretches of commercial and transit streets to preserve and enhance the pedestrian-oriented character and transit function.

Section 5. Sheets ZN08 of the Zoning Map of the City and County of San Francisco is hereby amended, as follows:

	Use District to be	Use District
<u>Description of Property</u>	<u>Superseded</u>	<u>Hereby Approved</u>
All parcels zoned NC-3 on Blocks 3147, 3148, 3206, 3207, 3208A, 5893, 6013, 6014, 6083, 6084, 6272, 6346, 6347, 6408, 6409, 6410, 6411, 6412, 6463, 6796, 6797, 6798, 6799, 6800, 6802, 6803, 6954, 6955, 6956, 6957, 6959, 6968, 6969, 7029A, 7030,	NC-3	Outer Mission Street Neighborhood Commercial District
All parcels zoned NC-2 on Blocks 5868, 5869, 5892, 5893, 6462, 6461, 6468, 6468A, 6469, 6470, 6471, 6472, 6473, 6474, 6804, 7031, 7043, 7044A, 7066, 7098, 7099, 7109, 7109A, 7142, 7143, 7144, 7145, and 7160	NC-2	Outer Mission Street Neighborhood Commercial District



All parcels zoned NC-1 on	NC-1	Outer Mission Street
Blocks 6404, 5405, 6413,		Neighborhood Commercial
6414, 6446, and 6482		District
Block 6413, Lot 002; Block	RH-1	Outer Mission Street
7030, Lots 022A, 035, and 036;		Neighborhood Commercial
Block 6969, Lot 005G		District

Section 6. Effective Date. This Ordinance shall become effective 30 days from the date of passage.

Section 7. This section is uncoded. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent part of the Planning Code that are explicitly shown in this legislation as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the legislation.

APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_  
JUDITH A. BOYAJIAN  
Deputy City Attorney



## LEGISLATIVE DIGEST

[Planning Code, Zoning Map - Establishing Outer Mission Street Neighborhood Commercial District]

**Ordinance amending the Planning Code, by adding a new section, to establish the Outer Mission Street Neighborhood Commercial District along Mission Street between Alemany Boulevard and the San Francisco-San Mateo County line; repealing the Excelsior Alcohol Restricted Use District and adding controls on liquor establishments to the new Neighborhood Commercial District; amending various sections to make conforming and other technical changes; amending the Zoning Map to rezone specified properties to the new Neighborhood Commercial District; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the Priority Policies of Planning Code, Section 101.1.**

### Existing Law

Article 7 of the Planning Code establishes a number of named districts in various San Francisco neighborhoods that have special controls. The Zoning Map maps these areas.

### Amendments to Current Law

Various sections of the Planning Code and the Zoning Map are amended to add the Outer Mission Street Neighborhood Commercial District (NCD) to the list of named NCDs and to provide controls for the area. The Excelsior Alcohol Restricted Use District is repealed and the controls on liquor establishments in that section are included in the Outer Mission Street NCD. A Medical Cannabis Dispensary is not permitted within 500 feet of another such use. Conforming changes and updates to language have been made to various other Code sections.

### Background Information

The area included within the Outer Mission Street NCD is mixed use, combining street-fronting retail businesses on the ground floor and housing on upper floors. The range of comparison goods and services offered is varied and often includes specialty retail stores, restaurants, and neighborhood-serving offices. The area is transit-oriented and the commercial uses serve residents of the area as well as residents and visitors from adjacent and other neighborhoods. The purpose of this legislation is to establish specific controls tailored to the needs of the area.









SMALL BUSINESS COMMISSION  
MEETING MINUTES

Monday, March 11, 2013  
5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**

The meeting was called to order at 5:34pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, and Yee Riley were present.

2. **Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (R&G Lounge) as part of the SBC "Small Business Recognition Program."**

Commissioner Yee Riley presented the Commissions certificate of honor to Kinson Wong of R&G Lounge. Mr. Wong made remarks to the Commission and thanked Commissioners for the honor.

3. **Approval of the January 14, 2013 meeting minutes: Explanatory Documents: Draft January 14, 2013 minutes.**

Motion: Commissioner Yee Riley motioned to adopt the January 14, 2013 meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

4. **Approval of the January 28, 2013 meeting minutes: Explanatory Documents: Draft January 28, 2013 minutes.**

Motion: Commissioner Dooley motioned to adopt the January 28, 2013 meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

5. **Approval of the February 11, 2013 meeting minutes: Explanatory Documents: Draft February 11, 2013 minutes.**

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SAN FRANCISCO, CA 94102  
415.554.6408

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY



Motion: Commissioner White motioned to adopt the February 11, 2013 meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

**6. General Public Comment:**

Scott Hauge- Small Business California- Mr. Hauge provided the Small Business California Annual Survey results and reviewed highlights to the Commission. The majority of small businesses responded that things in California are headed in the wrong track. Most businesses reported that gross revenues have stayed the same over the past 12 months and that the economy has stayed the same over the past three months. A majority of businesses do not plan to hire over the next six months.

**7. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130018 [Planning Code - Deleting the Sunset Provision of the Excelsior Alcohol Restricted Use District]**

Item number 7 was called after item number 9.

Jeremy Pollock, legislative aide to Supervisor John Avalos presented. Mr. Pollock advised the Commission that this legislation was being presented to repeal the expiration date of the Excelsior Alcohol Restricted Use District. The intent will be to roll over alcohol controls into the proposed Outer Mission NCD, but the process to create the NCD will overlap with the expiration with the controls. Mr. Pollock pointed out that the controls have been successful in capping the number of liquor establishments on the corridor and listed Excelsior Action Group and residential associations as supporters of lifting the expiration. Mr. Pollock indicated that should the new NCD pass the RUD will be abolished.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Dooley motioned that the Small Business Commission recommend approval of BOS File No. 130018 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

**8. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130084 [Planning Code, Zoning Map - Establishing Outer Mission Street Neighborhood Commercial District]**

Jeremy Pollock, legislative aide to Supervisor John Avalos presented. Mr. Pollock reviewed the ordinance and a summary of the controls. Mr. Pollock also reviewed the general geography of the proposed Neighborhood Commercial District. He reviewed that fringe financial services are controlled under the NCD and the five foot height bonus currently included in corridor will remain under the NCD. Additionally, minimum parking requirements are now replaced with maximum parking requirements. The same parking will be permitted, however it will not be required. Mr. Pollock reviewed the neighborhood and merchant associations that have given approval to the ordinance or are in the process of submitting feedback.

The Commission discussed alcohol licensing and which types of license will be banned under the new code. The Director and Commission discussed how the new proposed controls will allow for a specialty market and grocery store, while controlling new liquor stores. The Police Department proposed a ban

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CHRIS SCHULMAN, COMMISSION SECRETARY



on all off-sale licenses. The Director pointed out that a blanket ban will prevent reputable stores and stores that residents may want. Mr. Pollock indicated a willingness to go back to the Supervisor and work with stakeholders on language that may address the issue.

Commissioner Dooley commented that all other named NC districts have hour restrictions, whereas a conditional use authorization is required for operating between 2:00am and 6:00am daily.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of BOS File No. 130084 to the Board of Supervisors with modification that hour restrictions be included and conditional use be required between 2:00am and 6:00am.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

**9. Presentation and discussion on the Affordable Care Act and how it overlays with the Health Care Security Ordinance.**

This item was heard prior to item number 7.

The Director provided introductory remarks.

Tangerine Brigham provided an overview of the Affordable Care Act(ACA). The ACA requires most individuals to have health insurance and she reviewed the three ways that an individual can comply. She reviewed the exchange that will be set up for individuals.

Next Ms. Brigham reviewed an exchange that will be set up for small businesses. Small businesses will be able to purchase and compare health plans. Businesses with 50 or more employees will have to pay a penalty if they do not meet minimum requirements. Ms. Brigham provided specifics. 0-49 employees are exempt from the ACA and from penalties. There are however incentives to help small businesses obtain health insurance for employees.

The intersection between the ACA and HCSO is still being determined and there are a lot of unanswered questions. Various departments and stakeholders have started meetings with the City Attorney's office to discuss this issue. Many of the questions will be policy questions and the department will be unable to provide definitive answers. Health reimbursement accounts are an area that may need to be modified. Stand-alone HRA's do not meet requirements of ACA for businesses with 50 or more employees and may need to be struck from the HCSO. Additional areas that need to be looked at are the difference between definition of employee in ACA and HCSO.

Scott Hauge presented next. Mr. Hauge described the requirements of businesses with 50 or more employees and reviewed a grandfather clause. One question Mr. Hauge brought up was whether or not a business can provide an employee money to purchase health insurance plans directly. He also pointed out that for the ACA to be successful; it must reduce the cost of healthcare. Mr. Hauge suggested the Pacific Business Group on Health as a potential resource.

Public Comment was called for and no members of the public spoke during public comment.

This item was informational only and was the first of several informational hearings on this topic. The Director provided closing remarks.

**10. Presentation and discussion on San Francisco's Small Business Week by Adam Strauss, Strauss Events.**

Adam Strauss presented. Mr. Strauss began by recognizing Leslie Milloy and Steve Adams as co-chairs for this year's Small Business week.

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CHRIS SCHULMAN, COMMISSION SECRETARY



This is the 9<sup>th</sup> annual Small Business Week. Mr. Strauss thanked the Commission for being a co-sponsor and for the offices annual contributions. He reviewed leaders, goals, educational events. He next reviewed past attendees, experiences, and surveys. He reviewed the theme, "Small Businesses-Shaping our Communities." Strauss reviewed this year's events and plans.

Public Comment: Leslie Milloy- Ms. Milloy thanked the Commission for their continued support of the event.

This was a discussion item only.

**11. Director's Report:**

The Director provided a written and verbal director's report. The report included an update on non-policy matters, including License 123, a joint meeting with the Commission the Status of Women, Child Care Providers. Next, the Director provided a legislation update and policy update, including 415/628 area code, affordable care act, and wage theft task force. Director Dick-Endrizzi concluded her report with calendar items.

**12. President's Report:**

President Adams announced that he has joined the DPW Graffiti Clean Team. DPW is trying to get businesses to sign up to cover graffiti on public property. Adams also announced SF Giant sweep, a pledge to keep area around businesses clean. [www.sfgiantssweep.org](http://www.sfgiantssweep.org).

**13. Vice-President's Report:**

Commissioner White announced that she went to the opening of the new Bi-Rite market.

**14. Commissioner Reports:**

Commissioner O'Brien announced that there will be a demonstration of the new permit tracking system next week.

Commission Dooley remarked that the SF Travel came to the North Beach Business Association and would like to be more involved with business associations and small businesses. There is a new feature on their website for small businesses.

Commissioner Dwight provided additional comments on SF Travel. They understand that Small Businesses make San Francisco unique and are a draw to the City.

**15. General Public Comment:**

Stephen Cornell- Polk Street Merchant Association- Spoke to a SFMTA project and Polk Street Bike Lanes that propose to remove significant amounts of parking. He also spoke to the Van Ness BRT project and how it intersects with the Polk project. His impression is that the programs are not working with each other.

**16. New Business:**

President Adams requests a presentation by DPW on SF Clean Sweep and Graffiti Watch programs. He also request a hearing on Polk Street Bike Lanes.

**17. Adjournment:**

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CHRIS SCHULMAN, COMMISSION SECRETARY



Motion: Commissioner Dooley motioned to Adjourn

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent:

The meeting was adjourned at 7:25pm

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CHRIS SCHULMAN, COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, March 25, 2013  
2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DEPT

DEC 17 2014

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 1120814 [Planning Code, Zoning Map - Establishing the Fillmore Street Neighborhood Commercial District]** Ordinance amending the Planning Code to establish the Fillmore Street Neighborhood Commercial District (NCD) along Fillmore Street between Bush and McAllister Streets; amend various other sections to make conforming and other technical changes; amending the Zoning Map to add the Fillmore Street NCD; and adopting environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 120814, BOS File No. 120814 Legislative Digest. Presentation by Ahmad Elnajjar, Legislative Aide to Supervisor London Breed. (Discussion and Possible Action Item)
4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 120796 [Planning Code, Zoning Map - Establishing the Divisadero Street Neighborhood Commercial District]** Ordinance amending the Planning Code to establish the Divisadero Street Neighborhood Commercial District (NCD) along Divisadero Street between Haight and O'Farrell Streets; repeal the Divisadero Street Alcohol Restricted Use District (RUD); amend various other sections to make conforming and other technical changes; amending the Zoning Map to add the Divisadero Street NCD and delete the Divisadero Street RUD; and adopting environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 120796, BOS File No. 120796 Legislative Digest. Presentation by Ahmad Elnajjar, Legislative Aide to Supervisor London Breed. (Discussion and Possible Action Item)
5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130182 [Police, Administrative Codes - Entertainment-Related Permits]** Ordinance amending the Police Code to clarify permit requirements and procedures, as well as to expand suspension, citation, and enforcement provisions regarding Entertainment Commission permits, including Place of Entertainment Permits, Limited Live Performance Permits, Temporary Place of

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CHRIS SCHULMAN, COMMISSION SECRETARY



Entertainment Permits, Temporary Limited Live Performance Permits, Extended-Hours Premises Permits, and Temporary Extended-Hours Premises Permits, and noise limits and standards; amending the Administrative Code to clarify fee setting and reporting procedures; and making environmental findings. Explanatory Documents: BOS File No. 130182, BOS File No. 130182 Legislative Digest. Presentation by Jeff Cretan, Legislative Aide to Supervisor Scott Wiener. (Discussion and Possible Action Item)

6. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130132 [Administrative Code - Weights and Measures Fees]** Ordinance amending the Administrative Code, Section 1.13-5, to revise registration fees for inspecting and testing weighing and measuring devices as provided by State law; and making environmental findings. Explanatory Documents: BOS File No. 130132, BOS File No. 130132 Legislative Digest. Presentation by Miguel Monroy, Agricultural Commissioner, Sealer of Weights and Measures. (Discussion and Possible Action Item)
7. **Discussion and Possible Action to recommend adoption of the SB4P program by the San Francisco Planning Commission.** (Discussion and Possible Action Item)
8. **Presentation and discussion on joint OEWD, OSB, MOCI research and analysis by Eric Orantes, City Hall Fellow.** (Discussion Item)
9. **Discussion and action to revise the Small Business Commission Rules of Order.** Explanatory Document: Draft changes to the Small Business Commission Rules of Order dated March 11, 2013. (Discussion and Action Item)
10. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
11. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
13. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
14. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
15. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
16. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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## **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:  
[soff@sfgov.org](mailto:soff@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### **Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings**

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Disability Access Policy**

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### **Translation Services**

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at <http://www.sfgov.org/ethics/>.

### **Chemical Sensitivity**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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CHRIS SCHULMAN, COMMISSION SECRETARY









**SMALL BUSINESS COMMISSION  
MEETING MINUTES**

**Monday, March 25, 2013  
2:00 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

GOVERNMENT  
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**SMALL BUSINESS COMMISSIONERS,**  
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**1. Call to order and roll call:**

The meeting was called to order at 2:03pm. Commissioners Adams, Dooley, Dwight (2:15), O'Brien, White, and Yee Riley were present. Commissioner Ortiz-Cartagena was absent.

**2. General Public Comment:**

Daniel Landry- Runs a small kiosk in the Fillmore. Mr. Landry believes it would be wise to have a task force with Supervisor, SBC and OEWD to discuss small business issues in the Fillmore.

Stephen Cornell- Polk District Merchants/ N.E. Mission Merchants/Council of District Merchants- Requesting a hearing on MTA projects on Polk and on Parking, including MTA goals, approach, strategy and methodology in merchant areas. He pointed out that cars help fund transit first policies, what are bicycles contributing?

**3. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 120814 [Planning Code, Zoning Map - Establishing the Fillmore Street Neighborhood Commercial District]**

Ahmad Elnajjar presented. This legislation was inherited from Supervisor Olague. Mr. Elnajjar reviewed the legislation. The only significant addition since the Commission previously recommended approval is to add formula retail restrictions.

Public Comment: Daniel Landry- Spoke in support of the ordinance. Mr. Landry requested clarification that this ordinance would not conflict with Supervisor Mirkarimi's active street front legislation.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of BOS File No. 120814 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

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**4. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 120796 [Planning Code, Zoning Map - Establishing the Divisadero Street Neighborhood Commercial District]**

Ahmad Elnajjar presented. This legislation was inherited from Supervisor Olague. Mr. Elnajjar reviewed the legislation. The only addition since the Commission previously recommended approval is to add formula retail restrictions.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of BOS File No. 120796 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**5. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130182 [Police, Administrative Codes - Entertainment-Related Permits]**

Jeff Cretan presented. Mr. Cretan reviewed an economic impact study that was completed by the Controller's office on the impact of Nightlife and the entertainment sector. Next, Mr. Cretan reviewed the objectives of the legislation.

- Expand Limited Live Performance locales outdoors and to include DJ's.
- Allow for 90 day temporary entertainment permits.
- Improvements to the enforcement process
- Reviewed additional objectives

Mr. Cretan stated that this ordinance was developed in close coordination with the Entertainment Commission and the Police department.

Public Comment- Henry Kamilowicz testified in favor of the ordinance and requested the inclusion of LLP in South of Market.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend approval of BOS File No. 130182 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**6. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130132 [Administrative Code - Weights and Measures Fees]**

Miguel Monroy, County Agricultural Commissioner and Sealer of Weights and Measures presented. He reviewed the responsibilities of the Agricultural Commissioner and Sealer of Weights and Measures. Next, Mr. Monroy reviewed the new fee structures and provided the Commission with paperwork and justification for the fees. The fees proposed to be changed are for standard scale measuring devices, including scales at grocery stores, livestock scales, and others. Scales for taximeters are not proposed to

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change. This ordinance makes a significant change for jewelry scales and prescription scales. The Commissions spent time discussion with Mr. Monroy the justification behind the increase for these items.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Dooley motioned that the Small Business Commission recommend approval of BOS File No. 130132 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**7. Discussion and Possible Action to recommend adoption of the SB4P program by the San Francisco Planning Commission**

Dan Sider of the Planning Department presented. Mr. Sider reviewed the SB4P program, which is a proposed Planning Commission policy to streamline small business projects that need Conditional Use Authorization before the Planning Commission.

Mr. Sider reviewed the background of the issue, including participating commissioners on a working group that helped develop this plan. He reviewed why they singled out small businesses, the policy basis for the SB4P program, the reasoning behind a policy vs. legislation, provided details on the process, gave examples on the length of paperwork involved for traditional vs SB4P projects, eligibility, expectations, process, and additional pertinent details. He concluded with next steps.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of the SB4P program to the Planning Commission.

2<sup>nd</sup>: Commissioner Adams

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**8. Presentation and discussion on joint OEWD, OSB, MOCI research and analysis by Eric Orantes, City Hall Fellow.**

Eric Orantes, City Hall Fellow presented. Mr. Orantes began by reviewing the goals of this report, one of which is to fulfill streamlining expectations under Proposition I, Mayors Job Plan #13 and Phase II of streamlining licenses. Mr. Orantes reviewed components of his report, a departmental permit survey, analysis, findings, outreach survey, website assessment, points of contact assessment, permit systems analysis, and recommendations. He concluded with reviewing timelines and next steps. Mr. Orantes provided the Commission with supporting materials, including survey materials. Commissioners engaged in question and answer and looked forward to a follow-up when the report is concluded.

**9. Discussion and action to revise the Small Business Commission Rules of Order.**

The Commission reviewed draft changes to the rules of order prepared by staff. The Commission Secretary read the proposed changes into the record. The changes include adding a second monthly meeting to the Commission schedule and clarifying the agenda posting protocols at the Office of Small Business. Additionally, the amendments clarified that no discussion shall take place until a calendared item has been introduced and no action shall be taken until a resolution or motion has been moved and

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seconded.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Dooley motioned that the Small Business Commission adopt the proposed changes to the rules of order as proposed.

2<sup>nd</sup>: Commissioner O'Brien

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

**10. Director's Report:**

The Director provided a written and verbal Directors report.

The Director reported on the planned joint meeting with the Commission on the Status of Women, Legislation and Policy Matters, and Calendar items.

**11. President's Report:**

The President provided a report on Small Business Week. \$182,489 has been raised to date.

**12. Vice-President's Report:**

Vice President White attended a permit tracking demonstration at the Planning Department. She provided feedback on the system. She also attended a SFCDMA meeting. Lastly, she reported on Formula Retail- overseas and online presence issues.

**13. Commissioner Reports:**

Commissioner Dwight reported that he attended a Polk Street community meeting on SFMTA improvements on Polk Street. He noted significant resistance reduced parking. There were also outreach concerns as well.

Commissioner Dooley met with Polk Street residential group leaders. Lack of outreach was a concern. There also appears to be a disconnect between the Polk project and Van Ness BRT.

**14. General Public Comment:**

General public comment was called for and no members of the public spoke during general public comment.

**15. New Business:**

Commissioner O'Brien requested that Polk Street Bike lanes be added to a future agenda item. It is important to the small business community. He would like it agendaized as soon as possible.

**16. Adjournment:**

Motion: Commissioner White motioned to Adjourn

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

The meeting was adjourned at 4:24pm

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, April 22, 2013

2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130284 [Planning, Building Codes - Fee Waiver Program - Small Business Month, May 2013]** Ordinance recognizing Small Business Month in May 2013; amending the Planning Code, Sections 302, 355(a), and 355(e); and amending Building Code, Tables 1A-A, and 1A-E, to waive fees for the month of May for certain façade improvements; and making findings, including environmental findings and findings of consistency with the General Plan and priority policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130284, BOS File No. 130284 Legislative Digest. Presentation by Dyanna Quizon, Legislative Aide to Supervisor Katy Tang. (Discussion and Possible Action Item)
4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130244 [Health, Business and Tax Regulations Code - Regulate and Establish Annual Fees - Cottage Food Operations]** Ordinance amending the Health Code, by adding Section 452.1, to establish a procedure for regulating Cottage Food Operations; amending the Business and Tax Regulations Code, by adding Section 249.1A, to establish annual fees for Cottage Food Operations; and making environmental findings. Explanatory Documents: BOS File No. 130244, BOS File No. 130244 Legislative Digest. Presentation by Richard Lee, Department of Public Health. (Discussion and Possible Action Item)
5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130285 [Public Works Code - Waiver of Temporary Street Space Occupancy Fee for Small Business Week Sidewalk Sales]** Ordinance waiving the fee required by Public Works Code, Section 724.1(b), for temporary street space occupancy within certain designated streets in the City and County of San Francisco on Saturday, May 11, 2013, and Saturday May 18, 2013, as part of Small Business Week Sidewalk Sales. Explanatory Documents: BOS File No. 130285, BOS File No. 130258 Legislative Digest. Presentation by Regina Dick-Endrizzi, Director, Office of Small Business. (Discussion and Possible Action Item)
6. **Presentation by Holly Lung of the Office of Economic and Workforce Development on the**

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**Emerging Business Loan Fund. (Discussion Item)**

7. **Presentation by Small Business Owners and Advocates on SFMTA Outreach on parking, parking meters, and bicycle projects and programs. (Discussion and Possible Action Item)**
8. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
9. **Permitting Committee Report (Discussion Item)**
10. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
13. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
14. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
15. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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## **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

Frank Darby, Administrator  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### **Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings**

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Disability Access Policy**

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### **Translation Services**

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Ave., Suite 3900, SF 94102 (415) 581-2300, FAX (415) 581-2317 and web site address at <http://www.sfgov.org/ethics/>.

### **Chemical Sensitivity**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES



Monday, April 22, 2013  
2:00 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS

Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

1. Call to order and roll call:

The meeting was called to order at 2:08pm. Commissioners Adams, Dooley, Dwight (2:27), O'Brien, Ortiz-Cartagena, White, Yee Riley were present.

2. General Public Comment:

General Public Comment was called for and no members of the public spoke during General Public Comment.

3. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130284 [Planning, Building Codes - Fee Waiver Program - Small Business Month, May 2013]

Dyanna Quizon of Supervisor Katy Tangs office presented. Ms. Quizon reviewed the details of the legislation, which will provide for a waiver in fees for awning replacements during the month of May, as well as for pedestrian level lighting improvement projects. This legislation is almost identical to legislation passed by former Supervisor Carmen Chu last year and the Supervisor hopes to build on last year's success this year and in future years. Ms. Quizon reviewed that this program would be before the Planning Commission on the upcoming Thursday.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend approval of BOS File No. 130284 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: Dwight

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4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130244 [Health, Business and Tax Regulations Code - Regulate and Establish Annual Fees - Cottage Food Operations]**

Richard Lee, Department of Public Health presented. Mr. Lee reviewed the background and details of this proposed law, which will update the San Francisco Health Code to comply with newly enacted state law cottage food provisions in the California Retail Food Code. The ordinance would regulate a cottage food operation within a private home by establishing a registration system for Class A operations, and a permit system for class B operations. Mr. Lee reviewed details on what a Class A operation is and a Class B operation is. Mr. Lee reviewed the proposed fees for each operation.

Commissioners discussed the proposed fees and fees proposed in other jurisdictions.

Public Comment was called for and no member of the public spoke during public comment.

Motion: Commissioner Dooley motioned that the Small Business Commission recommend approval of BOS File No. 130244 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130285 [Public Works Code - Waiver of Temporary Street Space Occupancy Fee for Small Business Week Sidewalk Sales]**

The Secretary began by reviewing all materials in the Commission packet regarding this item. The Secretary announced that due to the legislative schedule, this item has passed Committee and has passed first reading at the Board of Supervisors.

The Director provided a brief presentation to the Commission. The Director reviewed that this is the seventh year that the Commission has sponsored a fee waiver. The Director thanked the Department of Public Works and Supervisor Farrell. The Director reviewed the details of the sidewalk sales, including dates and times.

Public Comment was called for and no members of the public comment spoke during public comment.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend approval of BOS File No. 130285 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: O'Brien

6. **Presentation by Holly Lung of the Office of Economic and Workforce Development on the Emerging Business Loan Fund.**

The Secretary announced the Ms. Lung was unable to attend due to illness.

Public comment was called for and no members of the public spoke during public comment.

This item will be continued to a future meeting at the discretion of the chair.

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**7. Presentation by Small Business Owners and Advocates on SFMTA Outreach on parking, parking meters, and bicycle projects and programs.**

Local Small Business Owners presented to the Commission on issues and concerns that the Small Business Community has with the SFMTA. This presentation is in advance of a hearing that the Commission will be holding with the SFMTA on May 5.

Stephen Cornell, Polk Street Merchants Association provided opening remarks. He expressed that he hopes input from the Small Business Commission to the SFMTA can help influence the SFMTA to be more attentive to the small business community. Mr. Cornell pointed out that businesses and citizens must deal with two different agencies in the City, the SFCTA and SFMTA. He described some challenges.

Next, Mitchell Berg, of Bow Wow Meow spoke. Mr. Berg reviewed concerns of the Polk Street Project that the SFMTA is currently undertaking. He expressed that the business community should have been involved sooner, just as the Bicycle Coalition had. Plans were drawn up before the business community had been consulted. Small businesses are now perceived as spoilers and are in a position of weakness. He pointed out that Valencia Street is being used as an example of a sample project, however he argued that this project did not have a loss of parking. He also used delivery schedules as an issue of concern. He feels that MTA is dictating delivery times, which is not possible for vendors. He concluded by stating that removing parking on our corridors will drive drivers to chain stores with parking.

Dan Kvalski- Business Owner on Polk and Green was the next speaker. Mr. Kvalski stated that there were no residential or business mailers for this project. The only notification was through the residential association. There are over 300 street front businesses on Polk, over 1,000 including side streets. According to Mr. Kvalski, SFMTA admits that some businesses will fail. Mr. Kvalski pointed out that the 2011/2012 SF Pedestrian Task Force had no business representation. He concluded by stating that SFMTA is moving forward very fast, with minimal input and that there are no small business owners/representatives on the SFMTA Board.

Dawn Trennert, Middle Polk Neighborhood Association was the next speaker. Ms. Trennert stated that this issue came to the group's attention in the fall. All of the options presented in the open houses had significant losses of parking shown. Ms. Trennert reviewed a meeting between SFMTA and neighbors that was held on March 18. She stated that she supports improvements on Polk but feels that original plans were too bicycle centric.

Gwen Kaplan, Ace Mailing. Ms. Kaplan reviewed notification issues in the N.E Mission and Eastern Neighborhoods on a proposed parking meter project taking place in her district. She stated that they found out about the proposal from notifications on light poles and only after they initiated contact with the SFMTA did they begin a dialog with the department. The neighborhood is PDR, delivery and pickup centric. The proposals do not take into account the business needs to this type of sector. Additionally, notifications are coming out of Hayward, whereas they should be coming from the SFMTA directly from San Francisco.

Stephen Cornell returned with some concluding remarks. Mr. Cornell reviewed deliveries and parking on Market Street, loss of parking not counted as part of economic impact studies, ways for SFTMA to engage with the small business community early on in projects and a desire for the Mayor to appoint a small business person to the SFMTA Board of Directors.

Commissioners held discussion in preparation of their hearing on May 5.

Public comment was called for and no members of the public spoke during public comment.

This was a discussion item only, no action was taken.

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**8. Director's Report:**

The Director provided a written and verbal Directors report.

The Director provided an update on clients served, 2013 Mayor's revolving loan fund update, and Small business Week. Next, the Director provided an update on Legislation and Policy Matters before the Commission. The Director concluded with Calendar updates and notes about May Commission meetings which are being held on days other than standard meetings due to holidays and Small Business Week.

**9. Permitting Committee Report**

No Report

**10. President's Report:**

No Report

**11. Vice-President's Report:**

No Report

**12. Commissioner Reports:**

Commissioner Dwight reported on a "Ramp it Up" Event held at Heath Ceramics.

Commissioner Ortiz-Cartagena reported on a business named Latin Bridal which is being harassed out of a lease. He finds that this is a growing trend. There are also frivolous lawsuits that landlords are issuing to try to get rid of tenants. He will be providing updates at future meetings.

**13. General Public Comment:**

General Public Comment was called for and no members of the public spoke during general public comment.

**14. New Business:**

No new business

**15. Adjournment:**

Motion: Commissioner Dooley motioned to Adjourn

2<sup>nd</sup>: Commissioner Ortiz-Cartagena

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 4:03pm

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, May 6, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

1. **Call to order and roll call:**
2. **Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Richard Simon-Tax and Treasurer) as part of the SBC "City Employee Recognition Program."** (Discussion Item)
3. **Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (Bi-Rite Market) as part of the SBC "Small Business Recognition Program."** (Discussion Item)
4. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
5. **Presentation and discussion on "Putting Youth To Work" summer youth employment program by Greg Asay, Office of Economic and Workforce Development.**(Discussion Item)
6. **Presentation and discussion by the SFMTA on Parking Policies, Bicycle Policies, and Outreach and Engagement with Small Businesses.** (Discussion Item)
7. **Discussion and Action to approve a letter to be sent to the SFCTA regarding the San Francisco Transportation Plan.** (Discussion and Action Item)
8. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
9. **Legislation and Policy Committee Report.** (Discussion Item)
10. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make

SMALL BUSINESS COMMISSION  
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SAN FRANCISCO, CA 94102  
415.554.6408

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY



announcements that are of interest to the small business community. (Discussion Item).

13. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
14. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
15. **Adjournment:** (Action Item)

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### **Know Your Rights Under the Sunshine Ordinance**

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**SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA**

**Monday, May 6, 2013  
5:30 P.M.**

**CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

**SMALL BUSINESS COMMISSIONERS,**

Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

1. **Call to order and roll call:**
2. **Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Richard Simon-Tax and Treasurer) as part of the SBC "City Employee Recognition Program."** (Discussion Item)
3. **Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (Bi-Rite Market) as part of the SBC "Small Business Recognition Program."** (Discussion Item)
4. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
5. **Presentation and discussion on "Putting Youth To Work" summer youth employment program by Greg Asay, Office of Economic and Workforce Development.**(Discussion Item)
6. **Presentation and discussion by the SFMTA on Parking Policies, Bicycle Policies, and Outreach and Engagement with Small Businesses.** (Discussion Item)
7. **Discussion and Action to approve a letter to be sent to the SFCTA regarding the San Francisco Transportation Plan.** (Discussion and Action Item)
8. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
9. **Legislation and Policy Committee Report.** (Discussion Item)
10. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make

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announcements that are of interest to the small business community. (Discussion Item).

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**14. New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).

**15. Adjournment:** (Action Item)

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, May 6, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

1. Call to order and roll call:

The meeting was called to order at 5:36pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley were present.

2. Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Richard Simon-Tax and Treasurer) as part of the SBC "City Employee Recognition Program."

Richard Simon was recognized by Regina Dick-Endrizzi. Mr. Simon thanked the Commission and provided remarks. Jose Cisneros, Treasurer, also provided remarks.

3. Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (Bi-Rite Market) as part of the SBC "Small Business Recognition Program."

Commissioner Dwight recognized Sam Mogannam of Bi-Rite Market. Mr. Mogannam accepted and thanked the Commission and provided remarks. Commissioner Monetta White and Director Regina Dick-Endrizzi also provided remarks.

4. General Public Comment:

General public comment was called for and no members of the public commented.

5. Presentation and discussion on "Putting Youth To Work" summer youth employment program by Greg Asay, Office of Economic and Workforce Development.(Discussion Item)

Mr. Greg Asay, Office of Economic and Workforce Development presented. Mr. Asay provided details on the Putting Youth to Work program. He reviewed a call to action by Mayor Lee. He reviewed the statistics from last year's program and the goals for this year's program. Mr. Asay reviewed the program sponsors and he reviewed how businesses can get involved. He also announced a volunteer opportunity taking place.

6. Presentation and discussion by the SFMTA on Parking Policies, Bicycle Policies, and Outreach and Engagement with Small Businesses.

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Ed Reiskin, Executive Director of the SFMA acknowledged the small businesses in San Francisco. He appreciates the economic role that small businesses play in the City and noted that they are the backbone of the economy. City leaders directing the agency are supporters of small businesses. Mr. Reiskin reviewed the SFMTA. The SFMTA is a voter approved agency. The agency integrates and manages transportation and parking programs. The Board of Directors approved a Strategic plan and outlined goals of the strategic plan. Mr. Reiskin outlined lessons learned from Polk Street and the North Eastern Mission parking projects. Next, Mr. Reiskin reviewed the population growth projections through 2035. He reviewed the transportation needs and how to accommodate this number of personas. A goal of the agency is how to manage this number. Next Mr. Reiskin reviewed the # of trips in 2010 and project for 2018.

Jay Primus presented next. Mr. Primus provided an overview of how the SFMA manages parking and why. He reviewed issues surrounding circling for parking and reviewed practices of people that pay for parking versus people that have free parking. Previously parking was used solely as a revenue generator, but now rates are determined by supply and demand. Mr. Primus reviewed rules and how they now apply to everyone. Parking is now charged for city workers. A key goal is to make it easier for people to find parking. He reviewed pricing of meter and garage parking rates under the "SF Park" program. A goal is to have parking always available. Garages have lowered their rates for short term parking, raised for all day parking. Next Mr. Primus reviewed some specifics on the N.E Parking project and Potrero and Western SOMA. He also reviewed parking management plans, rationale and provided a map of areas with parking management plans.

Celeta Reynolds presented on Bicycle Strategies. She noted that there is an annual budget of \$37.5million for bicycle projects, of which 98% is from outside grant sources. Ms. Reynolds reviewed outreach for the Polk Project and provided a general overview of bicycle principles.

#### Public Comment:

Taryn Taddeo- Chamber of Commerce- Spoke to the need for small business outreach for project.

Sue Danielson- Urged that no parking should be taken away on Polk Street. Parking is essential for small businesses. Small Businesses should be represented on the Board of Directors for Muni.

Deal Patel- Bicycle Coalition- Reviewed outreach efforts that the Bicycle Coalition has taken surrounding the Polk project. Showed the Commission a flyer that was distributed to merchants.

Hans Art- Automotive Mechanic in the N.E. Mission. Noted that 300-400 businesses in the area rely on all day parking. If MTA puts in 2,000 plus meters it will run people out of business. Only certain areas in the project area need meters.

Doug MacNeil- Stated that businesses need employee parking, as well as loading and unloading. Also noted that there are issues with the movement for no parking on 16<sup>th</sup> street.

Gwen Kaplan-Ace Mailing- Reviewed Outreach for N.E. Mission plan. Also reviewed issues around loading and unloading.

Susan Tibbon- Stated that without business parking permit or other parking consideration in N.E Mission neighborhood, that businesses will significantly suffer. Also pointed out loading and unloading issues.

Pat Christianson- Stated that as a customer of Polk Street she needs parking. Supports small businesses and that parking is necessary. Ms. Christianson suggested that people would be forced to malls and other suburban areas if parking was removed.

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Chris Moreno- Mr. Moreno stated that he wants to ensure that parking is available to people. He also stated that bicyclists need to follow the rules. He requested that MTA listen to the needs of each neighborhood.

Cat Carter- Spoke to the issue of evening meters. Bands playing every night in South of Market have to pay \$50 every night for parking.

Carol Spencer- Polk Street Resident. Testified that business corridors must be accessible by automobile. Plans to remove parking on Polk are bad for the street. Large businesses have lots of parking, small businesses rely on street parking.

Erick Arguello- Encouraged the SFMA to look at each corridor in detail. Reviewed the 24<sup>th</sup> Street corridor. Noted that the SFMTA has engaged the community from the bottom of. Encouraged a representative on the SFMTA board.

Barbara Patinkin- Noted that she is a resident of Polk Street. Stated that reduced parking meters will hurt Polk Street. This will result in reduced business and reduced jobs.

Dr. Dale Mortenson- Dr. Mortenson has a practice on Polk Street. Parking has already been removed for temporary projects and patients cannot walk more than one block to his office. Cancellations have occurred.

John Lum- Mr. Lum points out that outreach did not take place in the N.E. Mission. No mail was sent to individual businesses. Mr. Lum is requesting a business permit system. Meters were the only option presented to businesses and this option does not work in this area. He feels that the SFMTA does not listen to businesses.

Peter Guminz- Stated that Polk Street is made up of independent businesses. He reviewed the impact to his business (framing business.) He stated that meetings were held in December which is a busy time for businesses and many business owners were unable to attend meetings.

Dave Sahagon- Stated that there needs to be balanced representation from small businesses on the SFMTA board. Small businesses are getting squeezed by the SFMTA. He noted the free parking for officials around City Hall. The City needs to stop discriminating against small businesses.

Stephen Cornell- Reviewed the outreach on Polk Street. Mr. Cornell also reviewed the non-coordination between MTA and CTA. He discussed concerns between the Van Ness BRT project and the Polk Street Improvement Project. He also recommended that there be a small business representative on the SFMTA Board of Directors.

Keith Goldstein- Supports many programs in Potrero, but does not support all programs in other neighborhoods, including the loss of parking on Polk and the implementation of parking meters in N.E. Mission.

Jenna Hartman- Owns a store off Polk Street. Referenced support for option A on the Polk Street plan

Elizabeth Shepherd- PDAM- Hosted two outreach meetings. Concerns over not just outreach but over how SFMTA messages their projects.

Barbara Teis- Belltower Restaurant. Noted that parking is vital for her business and other businesses in the area.

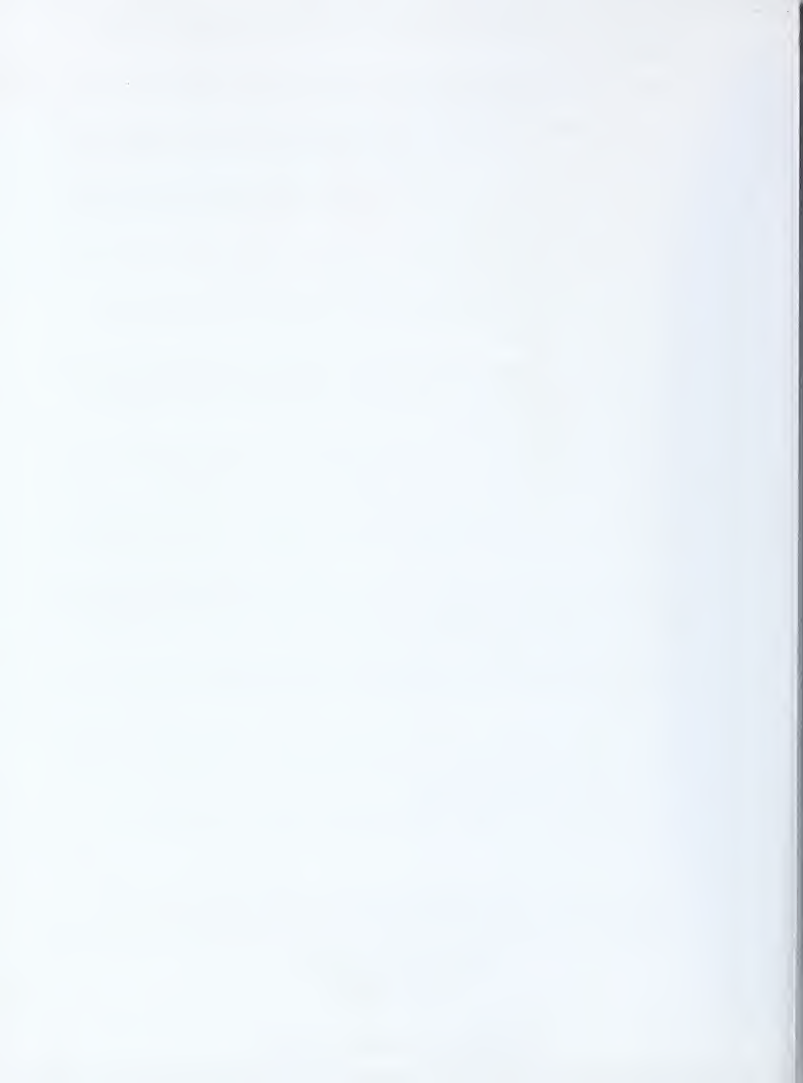
Public Comment was closed.

Commissioners held discussion and question and answer. Commissioners concurred with the public that additional outreach with the small business community is essential on projects, especially early on. Commissioners inquired why Parking Garages are not being built in the City. The SFMTA noted that their focus is on maintaining the current supply and that city policy does not

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provide for new garages. Commissioners also concurred with the public that a small business person should be appointed to the SFMTA Board of Directors.

At the end of the hearing the President announced that this would not be the conclusion of this topic and that there would be continued discussion and potential hearings on the issue. The Commission will continue to monitor small business related issues with the SFMTA and the agency's ability resolve issues outlined during the hearing.

This item was a discussion item only.

**7. Discussion and Action to approve a letter to be sent to the SFCTA regarding the San Francisco Transportation Plan.**

The Secretary reviewed a draft letter prepared by staff to be sent to the SFTA regarding the San Francisco Transportation Plan. This letter was drafted with feedback from the Legislation and Policy Committee. The Secretary reviewed some pertinent points in the letter and in the plan to the commission. The Commission draft letter recommends that a majority of the funds be dedicated the Operations and Maintenance for SFMTA.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Dooley motioned to adopt the draft letter to the SFCTA.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena White, Yee Riley

Nay: None

Absent: None

**8. Director's Report:**

The Director provided a written and verbal Directors report. The Director provided an update on Small Business Week and the Summer Youth Jobs initiative. The Director also provided an update on Mobile Retail, ADA, ACA, and Legislation pending before the Board of Supervisors. Next the Director announced upcoming Mayor Town Hall meetings and other key events. The Director also noted a special date for the May 20 Commission meeting, taking place in room 408.

**9. Legislation and Policy Committee Report.**

No report.

**10. President's Report:**

The President noted the new Storefront SF website and program.

**11. Vice-President's Report:**

No report

**12. Commissioner Reports:**

No reports.

**13. General Public Comment:**

General Public Comment was called for and no members of the public spoke during general public

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comment.

**14. New Business:**

No new business.

**15. Adjournment:**

Motion: Commissioner White motioned to Adjourn

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 8:34pm

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA



Monday, May 20, 2013  
5:30 P.M.

CITY HALL, ROOM 408  
1 Dr. Carlton B. Goodlett Place, San Francisco CA 94102

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1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130263 [Planning Code - Castro Street Neighborhood Commercial District Use Size Limits]** Ordinance amending the Planning Code, Sections 121.2 and 715.1, the Castro Street Neighborhood Commercial District controls, to allow a neighborhood-serving nonprofit institution to exceed the use size limits with a Conditional Use Authorization; making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the Priority Policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130263, [BOS File No. 130263 Legislative Digest](#). Presentation by Andres Power, Legislative Aide to Supervisor Scott Wiener. (Discussion and Possible Action Item)
4. **Presentation and discussion on the Emerging Business Loan Fund by Holly Lung, Office of Economic and Workforce Development.**(Discussion Item)
5. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
6. **Permitting Committee Report.** (Discussion Item)
7. **Legislation and Policy Committee Report** (Discussion Item)
8. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
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1 DR. CARLTON B. GOODLETT PLACE, #110  
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CHRIS SCHULMAN, COMMISSION SECRETARY









**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, May 20, 2013**

**5:30 P.M.**

**CITY HALL, ROOM 408**

**1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

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**SMALL BUSINESS COMMISSIONERS,**

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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**1. Call to order and roll call:**

The meeting was called to order at 5:32pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White and Yee Riley were present.

**2. General Public Comment:**

Public Comment was called for.

Ace Washington- Comments noted that there is no clear group in the Western Addition that speaks for the Western Addition's businesses up and down Fillmore. Mr. Washington spoke about community driven reform.

Randall Evans- Spoke to concerns over the Fillmore Jazz Festival. Also spoke about concerns regarding Commissioner White and her involvement with the Jazz Festival.

Public Comment was closed.

**3. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130263 [Planning Code - Castro Street Neighborhood Commercial District Use Size Limits]**

Andres Power, Legislative Aide to Supervisor Wiener presented. Mr. Power provided details of the legislation, which is enabling an Aids Foundation project. Currently the use size limits on Castro St. prevent any use greater than 4,000 square feet. This legislation will not enable the project; rather it will allow the project the ability to be brought before the Planning Commission as a Conditional Use. Mr. Power referenced that the office worked hard to narrowly craft the legislation to allow for this project in particular to move forward through the entitlement process.

Public comment-

Randall Evans- Spoke in support of the ordinance.

Motion: Commissioner Dwight motioned that the Small Business Commission recommend approval of BOS File No. 130263 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

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CHRIS SCHULMAN, COMMISSION SECRETARY**



Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**4. Presentation and discussion on the Emerging Business Loan Fund by Holly Lung, Office of Economic and Workforce Development.(Discussion Item)**

Holly Lung, Office of Economic and Workforce Development presented. Ms. Lung reviewed that her office administers two loan programs- the San Francisco Revolving Loan Fund (RLF) which provides microloans up to \$50,000 and the new Emerging Business Loan Fund (EBLF) which offers commercial loans up to \$1,000,000.

Ms. Lung began the main part of the presentation by reviewing the RLF eligibility and terms. Next she reviewed the allowable uses for the loan fund. Following, Ms. Lung reviewed the RLF capitalization and portfolio. Ms. Lung concluded discussions on the RLF by reviewing the RLF outcomes, including the number of businesses that received loans, number of jobs created, number of businesses started and expanded, and the amount of additional loans and financing that recipients have received outside of the program. She also detailed some demographics of the program and outlined the number of businesses served by district.

Next, Ms. Lung reviewed the EBLF. Ms. Lung reviewed the loan capital, purpose and strategy. Next, she reviewed the loan amounts, interest rates, length of terms and underwriting criteria. Following, Ms. Lung reviewed the EBLF eligibility requirements and loan uses. She advised the Commission that "Bay Area Small Business Finance (BASBF)" is managing the EBLF. BASBF is a division of OBDC Small Business Finance. Next, Ms. Lung reviewed the 25 invest in neighborhoods corridors, the locations where this loan will be targeted. Ms. Lung concluded by reviewing the six neighborhood revitalization strategy areas, another target population of businesses.

Public Comment-

Ace Washington- Mr. Washington commented that OEWD is a fraud. He commented that restaurant deals on Fillmore Street have gone bad and that OEWD has made bad loans.

Public comment was closed. This was an informational item only no action was taken.

**5. Director's Report:**

The Director provided a written and verbal Directors report.

The Director reported on Small Business Week. The Director thanked the co-chairs and commended staff and Strauss Events. The Director re-capped the weeks activities and events.

Next the director discussed Summer Jobs Initiative, ADA, and the Affordable Care Act. For the Affordable Care Act, the Director discussed next steps and strategies. Next the director provided an update on Mobile Retail and AB837.

Invest in Neighborhoods/Jobs Squad worked with the Director on an ADA workshop today in the Sunset. The Director recognized Francis Chan for his work.

Public Comment:

Ace Washington- Requests that the Commission travel to the Western Addition. Issues in the Fillmore are different than other parts of the City. He suggested that the Commission come to the Fillmore to hear about the area being underserved.

Public Comment was closed.

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#### **6. Permitting Committee Report.**

Chair Dooley reported that Pet Food Express is applying for a store on Lombard Street. The Permitting Committee met with the coalition of independent pet stores and the committee listened to their concerns on the project. Commissioner Dooley reported that they will be presenting to the full commission in June.

#### **7. Legislation and Policy Committee Report**

No report.

#### **8. President's Report:**

President Adams re-capped Small Business Week and thanked commissioners, staff and others for their contributions.

#### **9. Vice-President's Report:**

Vice President White re-capped Small business Week and announced that she attending the Flavors Event, BOS Awards, and VIP reception.

#### **10. Commissioner Reports:**

No Reports.

#### **11. General Public Comment:**

General Public Comment was called for:

Ace Washington- Again requested that the Commission meet in the Fillmore. Mr. Washington also discussed vacant spaces, businesses that have closed, and the lack of African American owned businesses in the Fillmore. He discussed community reform.

No other members of the public spoke during general public comment.

#### **12. New Business:**

President Adams would like to hold discussions on late night food establishments.

Commissioner Ortiz-Cartagena would like to continue a discussion on the displacement of small businesses in areas, including the Mission District.

#### **13. Adjournment:**

Motion: Commissioner Dwight motioned to Adjourn

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 6:43pm

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA



Monday, June 10, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (Miyako Ice Cream) as part of the SBC "Small Business Recognition Program."** (Discussion Item)
3. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130372 [Planning Code, Zoning Map - Third Street Formula Retail Restricted Use District]** Ordinance amending the Planning Code to create the Third Street Formula Retail Restricted Use District; amending Zoning Map Sheet SU10, for property located on Third Street between Williams Avenue and Egbert Avenue; and making findings, including environmental findings pursuant to the California Environmental Quality Act, findings of consistency with the General Plan and the priority policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130372, BOS File No. 130372 Legislative Digest. Presentation by Andrea Bruss, Legislative Aide to Supervisor Malia Cohen. (Discussion and Possible Action Item)
5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130402 [Health, Business and Tax Regulations Codes - Safe Body Art]** Ordinance amending the Health Code by repealing miscellaneous sections relating to tattooing and adding Article 40 to require body art practitioners to register with the Department of Public Health (DPH) and to annually renew registration, and to require permanent and temporary body art facilities to obtain and annually renew permits with DPH; amending the Business and Tax Regulations Code by adding fees relating to body art permits and licenses; and making environmental findings. Explanatory Documents: BOS File No. 130402, BOS File No. 130402 Legislative Digest. Presentation by Richard Lee, Department of Public Health. (Discussion and Possible Action Item)
6. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130400 [Health Code - Massage Practitioners]** Ordinance amending the Health Code to exempt massage practitioners who are certified by the State of California and massage

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establishments that employ only state-certified massage practitioners from requirements for obtaining a permit from the Health Department; and making environmental findings. Explanatory Documents: BOS File No. 130400, BOS File No. 130400 Legislative Digest. Presentation by Richard Lee, Department of Public Health. (Discussion and Possible Action Item)

7. **Presentation and Discussion on the implementation of Public Health Code Article 39 (Dog Walking Ordinance)** by Kat Brown of Animal Care and Control. (Discussion and Possible Action Item)
8. **Presentation and possible action to support Pet Store merchants regarding their efforts to maintain their businesses.** Merchants on Chestnut Street, primarily merchants of smaller, locally owned independent pet stores and groomers and other merchants are working to prevent their businesses from possible closure. Presentation by Pam Hable, Catnip and Bones and Susan Landry, Animal Connection (Discussion and Possible Action)
9. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
10. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
13. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
14. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
15. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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## Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### Disability Access Policy

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, June 10, 2013

5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

1. Call to order and roll call:

The meeting was called to order at 5:35pm. Commissioners Adams, Dooley, Dwight, O'Brien (5:36pm) Ortiz-Cartagena, White, and Yee Riley were present.

2. Presentation of the Small Business Commission Certificate of Honor recognizing a local small business (Miyako Ice Cream) as part of the SBC "Small Business Recognition Program."

This item was continued to a later meeting at the call of the chair due to scheduling constraints.

3. General Public Comment:

General Public Comment was called for and no members of the public spoke during General Public Comment.

4. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130372 [Planning Code, Zoning Map - Third Street Formula Retail Restricted Use District]

Andrea Bruss, Legislative Aide to Supervisor Malia Cohen presented. Ms. Bruss provided context and background on the ordinance, which will require Conditional Use for Formula Retailers between Egbert Avenue and Williams Avenue along Third Street. The Goal is to have a C.U. process and community input by way of an entitlement hearing.

Public Comment:

LaShon Walker- Bayview Merchants Association- Spoke in support of the ordinance. Indicated that this ordinance would allow the community the opportunity to vet and evaluate projects. She noted that she would like to see a local hiring provision added to the ordinance.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of BOS File No 130372 to the Board of Supervisors with the added recommendation that the Supervisor look into local hiring provisions in the restricted use district, but that those requirements not be a condition of approval of the ordinance.

2<sup>nd</sup>: Commissioner Dooley

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Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**5. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130402 [Health, Business and Tax Regulations Codes - Safe Body Art]**

Richard Lee, Department of Public Health presented. Mr. Lee reviewed State legislation. Mr. Lee also reviewed prior City legislation. Next, Ed Walsh, Department of Public Health spoke. Mr. Walsh reviewed facility inspection fees.

Public Comment:

Paul Stoll- Body Manipulations- Spoke in support of the regulations in general. He also noted that he was a member of the State committee that drafted the new regulations. Mr. Stoll however had concerns on the fees proposed. He noted that the fees were high and that they must all be dedicated to the program. Mr. Stoll also spoke about education and training.

Commissioners held discussion on the fees. The Commission also held discussion the impact to the permanent cosmetic industry.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend approval of BOS File No 130402 and that the Commission support the Department of Public Health in becoming compliant with state law. The Motion also recommended that DPH come prepared to the Board of Supervisors with detailed budget and accounting of the proposed fees. The Department should also perform outreach to the permanent cosmetic industry including multi lingual outreach.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**6. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130400 [Health Code - Massage Practitioners]**

Richard Lee, Department of Public Health presented. Mr. Lee noted that this ordinance brings the San Francisco Massage Ordinance into conformity with State law, which exempts state certified massage practitioners and businesses that employ only state licensed practitioners from local licensing and permitting.

Public Comment:

Beverly May- Clarified some points from DPH. Ms. May noted that City ordinances requiring registration of State certified practitioners is allowed. She also noted that a City can charge for health inspections and inspection costs. Ms. May also reviewed examples of enforcement actions.

Maryann Smith- Asked the difference between a spa opening versus a massage parlor. Reviewed cost of becoming a certified massage therapist.

Lauren (Unknown)- Sought clarifications on ordinance fees. Noted that the local ordinance requires 100 hours. Recommends more hours for the local ordinance.

Public Comment was closed.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend approval of BOS File No 130400 and that as a policy recommendation moving forward that DPH work with SFPD to adopt a local ordinance with regulations more in line with State regulations.

2<sup>nd</sup>: Commissioner Dooley

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Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**7. Presentation and Discussion on the implementation of Public Health Code Article 39 (Dog Walking Ordinance) by Kat Brown of Animal Care and Control. (Discussion and Possible Action Item)**

The Director of Animal Care and Control, Rebecca Katz, introduced Kat Brown, Deputy Director of Animal Care and Control to present.

Ms. Brown began her presentation by reviewing that starting July 1, 2013 every professional dog walker employed or doing business in San Francisco must have a permit to walk 4-8 dogs at a time. She reviewed additional requirements, such as insurance, training, and experience. Ms. Brown reviewed the background and history of the law, scenarios (ie. Dog walker #1, 2, 3, etc.) and dog walker permit fees. Next, Ms. Brown reviewed training programs, vehicle inspections, the applications, steps applicants need to take, and complaint processes. Finally, the Deputy Director reviewed the fines and penalties and provided contact information to ACC and other agencies.

Public comment was called for and no members of the public spoke during public comment.

The Commission held a brief question and answer and discussion.

This item was a discussion item only and no action was taken.

**8. Presentation and possible action to support Pet Store merchants regarding their efforts to maintain their businesses.**

Commissioner Ortiz-Cartagena requested recusal due to a potential conflict under the advice of the City Attorney.

Motion: Commissioner Dooley motioned to excuse Commissioner Ortiz-Cartagena from item number 8.  
2<sup>nd</sup>: Commissioner O'Brien

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

Susan Landry, Animal Connection presented. Ms. Landry reviewed the project from four years ago and reviewed the position of the Small Business Commission at the time and the position of the Planning Commission in 2009. Ms. Landry reviewed the details of the project at the time and the timeline since. Ms. Landry also reviewed a subsequent project at 3150 California Street and timelines. Next, Pam Habel, Catnip and Bones presented. Ms. Habel presented on the potential negative impacts of the Petfood Express store moving into 2460 Lombard Street and requested that the Small Business Commission support the small pet stores on Chestnut Street and submit a letter to the Planning Commission supporting the small pet stores.

Commissioner engaged in question and answer.

Public Comment was called for.

Michael Levy- Pet Food Express- Mr. Levy provided background on Petfood Express and the history of the store and brand.

Rebecca Katz- Director, Department of Animal Care and Control. Reviewed contributions that Petfood Express has made to Animal Care and Control. Considers the Marina underserved by Pet Stores. Ms. Katz reviewed the pet adoption center on Market Street and how the pet adoption center with Pets Unlimited on Lombard may have a positive impact.

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Pete Weaver- Spoke to the impact of chain stores on small retailers. Mr. Weaver encouraged the Commission to support the small retail pet stores.

Sally Workman- Pets Unlimited- Noted that the proposed adoption center for cats will allow Pets Unlimited to save a number of cats. Submits that Petfood Express does not put other stores out of business.

Awadalla Awadalla- Lombard Street Business Merchants Association- Requested a delay in the Commission making a recommendation. Mr. Awadalla noted that Lombard is rundown and businesses are struggling. Stated that Petfood Express will help Lombard.

Mitchell Berg- Bow Wow Meow- Complimented the charitable contributions of Petfood Express, but noted that independent retailers have a harder time showing off their contributions. Encouraged the Commission to support the small pet stores.

Jim Moore- Petfood Express- Requested a continuance or opportunity to provide additional information.

Claudine Cheng- Encouraged Commission to look at impact of project and to determine if there is an actual impact to the small businesses and if there is an impact can it be mitigated. Requested that the Commission consider the benefits that this project will have on Lombard Street.

Susan Dyer Reynolds- Marina Times- Ms. Dyer Reynolds noted that she has not received a single letter in opposition to the stores. She stated that the Commission is not taking a balanced approach to the issue and that the community associations are not in line with the community in general on this issue.

Stefano Castillato. Requested a continuance. Expressed concerns over the language on the agenda. States that immediate neighbors are in support of the project.

Lynette Siegal- Jeffries Pet Stores- Noted that one of their stores was forced to relocate and they moved closer to Petfood Express. Competing with Petfood Express is difficult. She noted that their store has supported rescues since day one. Encouraged Commission to support the small pet stores.

John Moore- Expressed concerns over how item was agenzied.

Public Comment was closed.

The Commission held a discussion on the project and concluded that additional preparation and materials on the project, including a more information by Petfood Express was necessary. The Commission concluded that a continuance was the best course of action. Commissioners requested that the Planning Department staff and City Attorney be invited to the continued hearing to provide guidance on formula retail criteria to the Commission.

Motion: Commissioner O'Brien motioned to continue item number 8 to July 8, 2013.

2<sup>nd</sup>: Commissioner Dwight

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

#### **9. Director's Report:**

The Director provided a written and verbal Directors report. The Director reported on the small business leader's quarterly meeting with the Mayor, Summer Youth Jobs Initiative, Small Business Week, and On-Line Business Portal. Next the Director reviewed ADA, Affordable Care Act, Mobile Retail, Area Code, and Wage Theft. Following, the Director reviewed Legislative items. Then the Director reviewed the work schedule while she is on vacation.

Commissioner Dwight commented on the MTA appointment during the Directors report.

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#### **10. President's Report:**

This weekend the President will be discussing preserving historical businesses with SF Historical Heritage. The President attended the Mayor's Budget Announcement.

#### **11. Vice-President's Report:**

Vice President White announced that she is working to get out to local communities and she went to a pro shop-local event recently.

#### **12. Commissioner Reports:**

Commissioner Yee Riley attending the Mayor's quarterly meeting with Commissioner Dwight. She found it was well attended and well organized.

Commissioner Dwight attended the 2<sup>nd</sup> Street improvement project meeting sponsored by SPUR. He also attended the Mayor's 21<sup>st</sup> century transportation meeting and the mayors quarterly small business meeting. Dwight also showed Commissioners an article in INK magazine that he authored.

Commissioner Dooley attended an American Express small business luncheon.

#### **13. General Public Comment:**

General Public Comment was called for and no members of the public spoke during General Public Comment.

#### **14. New Business:**

No new business.

#### **15. Adjournment:**

Motion: Commissioner Yee Riley motioned to Adjourn

2<sup>nd</sup>: Commissioner Dwight

Aye: Adams, Dooley, Dwight, O'Brien, White, Yee Riley

Nay: None

Absent: Ortiz-Cartagena

The meeting was adjourned at 9:35pm

SMALL BUSINESS COMMISSION  
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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY

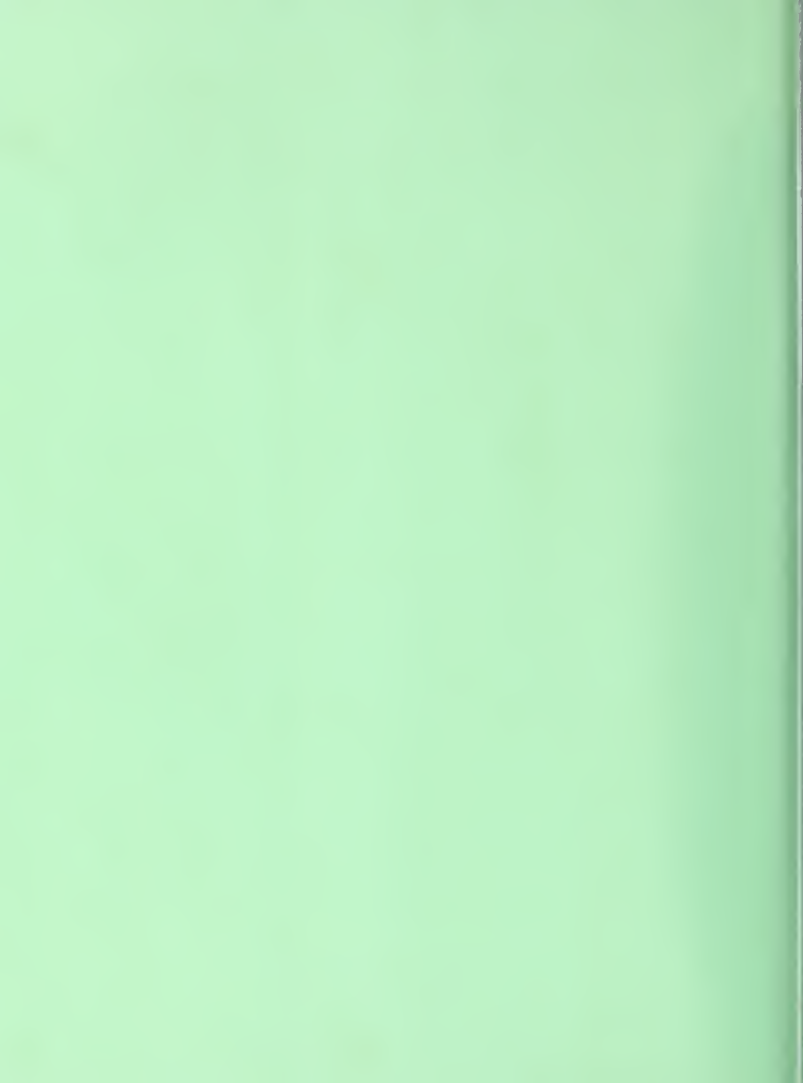
















SMALL BUSINESS COMMISSION  
NOTICE OF DRAFT MEETING AGENDA

Monday, June 24, 2013

2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DEPT

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 120966 [Administrative Code - Healthy Food Retailer Incentives Program]** Ordinance amending the San Francisco Administrative Code by adding Chapter 59 (Sections 59.1-59.9) to establish a Healthy Food Retailer Incentives Program to oversee and coordinate the City's incentive and assistance programs for Healthy Food Retailers. Explanatory Documents: BOS File No. 120966, BOS File No. 120966 Legislative Digest. Presentation by Nickolas Pagoulatos, Legislative Aide to Supervisor Eric Mar. (Discussion and Possible Action Item)
4. **Presentation and Discussion on the Mayor's "Invest In Neighborhoods" Program by Jordan Klein, Office of Economic and Workforce Development.** (Discussion Item)
5. **Presentation and Discussion on the "Giant Sweep" program by the Department of Public Works.** Presentation by Peachy Mathias, Department of Public Works. (Discussion Item)
6. **Presentation and Discussion on the Healthy Workplace Coalition by Julia Parish.** (Discussion Item)
7. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
8. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
9. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
10. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

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**11. New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).

**12. Adjournment: (Action Item)**

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, June 24, 2013  
2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DEPT

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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call:

The meeting was called to order at 2:07pm. Commissioners Adams, Dooley, Dwight, O'Brien (2:43), White (2:09), and Yee Riley were present. Commissioner Ortiz-Cartagena was absent-excused. The Director was absent due to vacation.

2. General Public Comment:

General Public Comment was called for and no members of the public spoke during general public comment.

3. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 120966 [Administrative Code - Healthy Food Retailer Incentives Program]

Nickolas Pagoulatos presented. Mr. Pagoulatos provided background on the legislation and noted to Commissioners that a previous version had been reviewed by the Legislation and Policy Committee previously. He noted that the ordinance is co-sponsored by Supervisors Kim and Cohen. The key goals of the ordinance are to support convenience stores in areas of San Francisco where there are a lack of healthy food options, including the Tenderloin, Bayview and Outer Richmond. Mr. Pagoulatos noted that the program will be facilitated through the Office of Economic and Workforce Development Departments "Invest in Neighborhood's" program with assistance from the Department of Public Health and utilizing the support of community based groups. Stakeholders will work with "corner stores" to help convert their stores into healthy retailers. Mr. Pagoulatos reviewed additional details of the legislation and specifics. He noted that input from the Legislation and Policy Committee helped guide the most recent version of the legislation. He also noted that businesses that receive assistance will receive assistance for a three year term.

Next, Jorge Rivas of the Office of Economic and Workforce Development presented. He presented on his departments role, the involvement of Invest in Neighborhoods and reviewed the program budget and process. Following, Susanna Hennessey-Lavery, Department of Public Health presented. She provided background on a program that they have in the Bayview and described how they provide assistance to stores. She also described an emerging program in the Tenderloin and recent work in that area. Next, Larry Brusha, Suti and Associates presented. He is a program consultant. His company is a design build company that works on the design and remodel of the stores and works on physical layout. Mr.

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Brusha reviewed his role in the program.

Commissioners were supportive of the program and noted the changes that took place since the first Legislation and Policy Committee meeting. The proceeded to take some questions and answers with the presenters.

Public Comment:

Ryan Thayer- Spoke in support of the legislation and the program that they are working on in the Tenderloin.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend approval of BOS File No 120966 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, White, Yee Riley

Nay: None

Absent: O'Brien, Ortiz-Cartagena

**4. Presentation and Discussion on the Mayor's "Invest In Neighborhoods" Program by Jordan Klein, Office of Economic and Workforce Development.**

Jordan Klein, Office of Economic and Workforce Development presented. Mr. Klein provided a presentation on the Mayor's "Invest in Neighborhoods" program. Mr. Klein began by presenting on the vision of the program and San Francisco neighborhoods. Next, Mr. Klein reviewed the 25 invest in neighborhoods locations. Following Mr. Klein reviewed the characteristics of a healthy commercial district, a framework for the deployment of city services to neighborhood commercial districts, and a review of baseline services vs. customized services for specific districts. Then, Mr. Klein reviewed a commercial district assessment program which is currently taking place in each of the 25 IIN districts and transitioned into discussing the development of customized service plans for each of these areas. Mr. Klein reviewed next steps which include completing neighborhood profiles through summer of 2013 and during FY 2013/2014 service plans will be developed, benchmarks created, commercial districts will be graduated from the program and the initiative will be evaluated and refined.

Commissioners engaged in question and answer.

Public Comment was called for and no members of the public spoke during public comment.

No action was taken. This was a discussion item only. The Commission requested an update in twelve months.

**5. Presentation and Discussion on the "Giant Sweep" program by the Department of Public Works.**

Rachel Gordon presented in place of Peachy Mathias. Ms. Gordon reviewed the program and provided details and statistics on the results of the program to date and the goals of the program moving forward. The program was launched by Mayor Lee and the San Francisco Giants in February of 2013. The goal is to engage school age children and others to engage in picking up and cleaning up garbage. The Department works with the Department of the Environment and the SFMTA. The Department also works with small and large businesses. Ms. Gordon emphasized a message that this is a sponsor funded three year campaign. For small businesses, the department has corridor outreach workers performing outreach work to engage with small businesses. Next, Ms. Gordon reviewed the Giant Sweep pledge and asked Commissioners and members of the public to sign the pledge.

Commissioners expressed support for the program. During discussion, Ms. Gordon noted that DPW picks up over 30k tons of trash yearly from City streets.

[www.sfgiantssweep.org](http://www.sfgiantssweep.org)

Public Comment was called for and no members of the public spoke during public comment.

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This was a discussion item only.

**6. Presentation and Discussion on the Healthy Workplace Coalition by Julia Parish.**

Julia Parish, Legal Aid Society, Presented. Ms. Paris noted that the Healthy Mothers Workplace Coalition is a collaboration of non-profit government agencies, and employers created to improve the working conditional and healthy of new parents. Mr. Parish reviewed the partners. Next, Ms. Parish reviewed various employer policies related to lactation accommodation, pregnancy, parental leave, etc. Following she reviewed a self-assessment that San Francisco businesses can complete to assess their businesses polices in these areas and provided an example of the assessment. Next, she reviewed an award ceremony that will be taking place on September 9, 2013.

Public Comment was called for and no members of the public spoke during public comment.

This item was a discussion item only.

**7. President's Report:**

President Adams reported that he served on a panel last Saturday sponsored by San Francisco Architectural Heritage titled- Legacy Businesses: How to keep them here.

**8. Vice-President's Report:**

No report

**9. Commissioner Reports:**

No report

**10. General Public Comment:**

General public comment was called for and no members of the public spoke during general public comment.

**11. New Business:**

No new business

**12. Adjournment:**

Motion: Commissioner Dooley motioned to Adjourn

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

The meeting was adjourned at 3:24pm

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, July 8, 2013  
5:30 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DFP7

SMALL BUSINESS COMMISSIONERS,  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

DEC 17 2014

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1. **Call to order and roll call:**

2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

**ITEM PROPOSED FOR CONTINUANCE.**

The Commission will consider a request for continuance to a later date. The Commission may choose to continue the item to the date proposed below, to continue the item to another date, or to hear the item on this calendar.

3. **Presentation and possible action regarding the potential impact of the proposed Pet Food Express store at 2460 Lombard Street on small business pet store retailers.** (Discussion and Possible Action)  
Proposed for Continuance to July 22, 2013

**REGULAR CALENDAR**

4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130622 [Administrative Code - San Francisco Family Friendly Workplace Ordinance]** Motion ordering submitted to the voters an Ordinance amending the Administrative Code to allow San Francisco based employees who are caregivers to request flexible working arrangements, subject to the employer's right to deny a request based on specified undue hardship; require that employers give advance notice of changes in an employee's work schedule; prohibit adverse employment actions based on caregiver status; prohibit interference with rights or retaliation against employees for exercising rights under the Ordinance; require employers to post a notice informing employees of their rights under the Ordinance; require employers to maintain records regarding compliance with the Ordinance; authorize enforcement by the Office of Labor Standards Enforcement, including the imposition of remedies and penalties for a violation, and an appeal process to an independent hearing officer; authorize waiver of the provisions of the Ordinance in a collective bargaining agreement; and making environmental findings, to the voters of the San Francisco at an election to be held on November 5, 2013. Explanatory Documents: [BOS File No. 130622](#), [BOS File No. 130622 Legislative Digest](#). Presentation by Supervisor David Chiu. (Discussion and Possible

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Action Item)

5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130459 [Planning Code - Mission Alcoholic Beverage Special Use District and Valencia Street Neighborhood Commercial Transit District]** Ordinance amending the Planning Code, Mission Alcoholic Beverage Special Use District controls, to allow the transfer of liquor licenses under specified circumstances, to restrict the sale of alcohol for off-site consumption, and to exempt grocery stores and certain institutional, arts, and other uses from the controls; establishing operating conditions for liquor-related uses; amending the Valencia Street Neighborhood Commercial Transit District controls to restrict the conversion of existing ground floor retail uses to restaurants; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the priority policies of Planning Code, Section 101.1. Explanatory Documents: BOS File No. 130459. Presentation by Nate Allbee, Legislative Aide to Supervisor David Campos. (Discussion and Possible Action Item)
6. **Director's Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
7. **Legislation and Policy Committee Report.** (Discussion Item)
8. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
9. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
10. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
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12. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
13. **Adjournment:** (Action Item)

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**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, July 8, 2013**

**5:30 P.M.**

**CITY HALL, ROOM 400**

**1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

**GOVERNMENT  
DOCUMENTS DEPT**

**AUG - 9 2013**

**SMALL BUSINESS COMMISSIONERS**

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**1. Call to order and roll call:**

The meeting was called to order at 5:40pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White and Yee Riley were present.

**2. General Public Comment:**

General Public Comment was called.

Awadalla Awadalla began to speak to item number 3 but the President asked that he hold his comments for item number 3.

General Public Comment was closed.

**ITEM PROPOSED FOR CONTINUANCE.**

The Commission will consider a request for continuance to a later date. The Commission may choose to continue the item to the date proposed below, to continue the item to another date, or to hear the item on this calendar.

**3. Presentation and possible action regarding the potential impact of the proposed Pet Food Express store at 2460 Lombard Street on small business pet store retailers. (Discussion and Possible Action)**

Proposed for Continuance to July 22, 2013

President Adams announced that this item was proposed for continuance and that it would not be heard at tonight's meeting. The Director noted that although it was listed as being proposed for continuance to July 22, 2013, the Commission may continue to another date or to the call of the chair or to staff's discretion. Commission Dwight indicated that he did not have a preference to date, as long as the item was calendared at a future meeting prior to being scheduled at the Planning Commission.

Public Comment-

Awadalla Awadalla- Lombard Business Merchants Association. Discussed the importance of revitalizing Lombard Street. Stated that there was confusion over whether this item will be continued.

Motion: Commissioner White made a motion to direct staff to calendar prior to this item being heard

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before the Planning Commission and to provide advance notice to all interested parties of the hearing.  
2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

#### **REGULAR CALENDAR**

#### **4. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130622 [Administrative Code - San Francisco Family Friendly Workplace Ordinance]**

David Chiu, President of the Board of Supervisors presented. President Chiu provided background on families in San Francisco. President Chiu noted that the State of Vermont has adopted similar provisions on a statewide basis. Chiu provided the Commission with an FAQ sheet. Next, Chiu reviewed the first draft of the ordinance and the revisions that were made on the second draft of the ordinance which is before the Commission today.

Next, Ted Egan of the Office of the Controller presented. Mr. Egan provided background on the ordinance, that it was introduced on June 11, 2013 and on July 2 an updated version was provided to OEA. He noted that this presentation was based on the July 2 version. Mr. Egan next provided a detailed overview of the legislation. Following, he reviewed the process the employees and employers must follow to comply with the ordinance. Next, Mr. Egan reviewed the enforcement mechanisms contained in the ordinance. Then, Mr. Egan reviewed the potential positive impacts, followed by the potential negative impacts. Mr. Egan concluded his presentation with a review of six recommendations.

President Chiu reviewed and provided feedback on the proposed recommendations that Ted Egan proposed. Following, Chiu engaged in question and answer with the Commission.

President Adams Called for Public Comment:

Emma Brenner-Bryant- Department of the Status of Women. Spoke in support of the Ordinance.

Julia Parish- Legal Aid Society- Spoke in support of the Ordinance. Often hears of employees that struggle with flexibility predictability issues. Ms. Parish spoke to issues around unpredictable schedules.

Henry Karnilowicz- Council of District Merchants- Expressed concerns for some industries, including construction which has a lack of predictability- for example days when it rains. Mr. Karnilowicz expressed concerns that some businesses may move if this ordinance passes without being amended.

Mark Klaiman- Pet Camp- Small Business Advocates- Chamber Advisory Council- Mr. Klaiman expressed that there are other steps that the City can take to be more family friendly. He questions the intent of the ordinance, who is covered, and should it only apply to San Francisco residents. He has concerns about reasonable notice to cancel shifts. Mr. Klaiman noted that he does not object to the right to ask component to the ordinance.

Stephen Cornell- Small Business Advocates- Mr. Cornell expressed concerns over the speed of the ordinance. He requested that it be put off to June 2014. He requested clarification if the number of employees applied to San Francisco employees or national employees. He will not oppose the right to request component of the legislation.

Rich Gunn- Opposed. He noted that his clients view San Francisco as a hostile place to do business and this legislation adds to the burden. This legislation does not address the issue of cost of living and housing.

Rafti Berkelikain- In Favor- Mr. Berkelikain noted that he had to miss school some days because of his mothers work schedule. This ordinance will help with this type of issue. He noted that happier workers

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work better.

Michelle Pliner- In favor- Part time employee.

Aaron Kahn- Supports. Mr. Kahn is a data surveyor. Businesses with formal programs in place have a higher retention rates. Employers are happier and production is increased.

Huong Tran- In Favor- Full time worker- Noted that his mother only knew her schedule every Thursday which caused issues at home. This ordinance will provide opportunity to provide working parents to request flexible arrangements.

Michelle Mackenzie- Supports flexible work schedules. She has issues with mandating this policy however. Ms. Mackenzie has concerns over the paperwork involved and the intersection with various forms of leave. Employee should already have the right to ask. Ordinance may impede non-caregiving employees from receiving flexible work arrangements.

Keith Goldstein- Potrero Hill Merchants- Opposed. Mr. Goldstein stated that guaranteed scheduling will cause him to move from the City. Contactor and Caterer concerns were outlined as unforeseen events can prevent the guaranteeing of hours. He noted that there are no scheduling requirements in Britain. Mr. Goldstein would like to see other family friendly policies such as improvements to schools and housing.

Kelly Dwyer- Supports. Would like the right to ask for flexible work agreement.

Kathleen Coll- Supports- Requiring employers to provide flexible work agreements levels the playing field. Bias avoidance is an issue and this legislation will prevent this issue. Ms. Coll commented that this is a modest proposal. She left a list of academic studies with the clerk.

Jim Lazarus- San Francisco Chamber- Opposed- Mr. Lazarus noted that this should go through the standard legislative process. Mr. Lazarus noted that Flextime is OK with the Chamber of Commerce but that predicable work schedules have issues.

Kayren Hudiburgh- Opposed. Stated that the legislation is rushed. Also stated that scheduling issues will occur and that paperwork will be an issue.

Thea Selby- In support. Noted that she has seven employees. Stated that the issue is about employees being hesitant to request time off. Health insurance is the biggest burden for businesses, this is not a burden.

Sandra Chen. In favor. Noted that it gives the employee the right to request a flexible work schedule.

Suzanne Tucker. Opposed. Noted that this legislation does not address people who do not ask for a flexible working agreement. Ms. Tucker advised that an educational campaign would be more appropriate.

Scott Hague: Opposed unless amended. Legislation has brought outrage. Amendments have been positive. Mr. Hague acknowledged that most people did not see the amendments. He indicated that he has no problem with the right to ask for a flexible work agreement.

Rob Black: Golden Gate Restaurant Association: Mr. Black noted that he had a number of concerns over the initial draft however most concerns were addressed in the second draft. No opposition to the flexible work agreement. Concerns over the predicable scheduling component.

Art Swanson- Recognized the changes that Supervisor Chiu has made to the ordinance but remains opposed to the proposal. Prefers voluntary compliance. Mr. Swanson noted that he is OK with flexible work schedules.

Leslie Milloy- Small Business Network- Ms. Milloy noted that employees already have the right to ask for flexible work schedules. She sees this as yet another mandate on San Francisco businesses.

Jay Cambus- Mr. Cambus stated that this discussion is discriminating.

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Public Comment was closed.

Commissioners held a discussion on the merits of the proposal. There was discussion on the fact that the proposal was being forwarded through the ballot process versus the legislative process and the potential that this would demonstrate to the electorate that the Board of Supervisors was unable to pass this legislation through the standard legislative process. The Commission discussed potential motions and decided to pass dual motions.

Motion Number One: Commission Dwight motioned that the Small Business Commission not approve Board of Supervisors File No. 130622 as presently drafted. The Commission will request a number of changes that staff will compile from a list presented by the business community and incorporate into an official response.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

Motion Number Two: Commissioner Obrien motioned that the Small Business Commission recommend that Supervisor Chiu consider forwarding this proposal through the standard legislative process versus a ballot measure.

2<sup>nd</sup>: Commissioner Dwight.

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

Absent: None

**5. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130459 [Planning Code - Mission Alcoholic Beverage Special Use District and Valencia Street Neighborhood Commercial Transit District]**

Nate Allbee, Legislative Aide to Supervisor David Campos presented. Mr. Allbee reviewed the proposed changes to the Mission Alcoholic Beverage Special Use District, which is co-sponsored by Supervisor Scott Wiener. Changes include allowing transferability within the district which will allow, by conditional use, the transfer of licenses. The proposal will also allow small grocery stores to obtain beer and wine licenses, which will eliminate the advantage that large formula retail grocery stores have over the small retailers. Mr. Allbee also reviewed changes to the Valencia Street NCT, which will now require Conditional Use Authorization for the conversion of retail spaces into restaurants. Mr. Allbee noted that this was the least restrictive option to limit the conversion of retail spaces into restaurants.

Public Comment:

Rob Black- Golden Gate Restaurant Association: Mr. Black commended Supervisors Campos and Wiener for loosening regulations in the Alcohol Restricted Use District. Mr. Black also noted that loosening regulations on Valencia Street 15 years ago has led to revitalization on Valencia and added that these new regulations strive to strike a balance.

Motion: Commissioner Dwight motioned to recommend approval of BOS File No. 130459 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, White, Yee Riley

Nay: None

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Absent: None

**6. Director's Report:**

No report, July 8 was the Directors first day back from Vacation.

**7. Legislation and Policy Committee Report.**

No report.

**8. President's Report**

No report

**9. Vice-President's Report:**

No report

**10. Commissioner Reports:**

No reports

**11. General Public Comment:**

General Public Comment was called for and no members of the public spoke during General Public Comment.

**12. New Business:**

No new business

**13. Adjournment:**

Motion: Commissioner Dooley motioned to Adjourn

2<sup>nd</sup>: Dwight

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

The meeting was adjourned at 8:50pm

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CHRIS SCHULMAN, COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, July 22, 2013  
2:00 P.M.

CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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SMALL BUSINESS COMMISSIONERS,  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. **Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Chris Schulman) as part of the SBC "City Employee Recognition Program."** (Discussion Item)
4. **Presentation of the Small Business Commission Certificate of Honor recognizing a City Hall Fellow (Erick Orantes) as part of the SBC "City Employee Recognition Program."** (Discussion Item)
5. **Presentation by the San Francisco Planning Department on Formula Retail ordinance and policies in the City of San Francisco, including but not limited to the background, history, current laws and future proposals.** Presentation by Sophie Hayward, Planning Department staff. Explanatory Document: Memorandum to the Planning Commission: Formula Retail Controls Today and Tomorrow (Prepared by Planning Department Staff). (Discussion and Possible Action Item)
6. **Discussion on the role, purview and responsibilities of the Small Business Commission should it choose to make a recommendation to the Planning Commission or other City Commissions at the request of small businesses.** (Discussion Item)
7. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130486 [Planning Code - Formula Retail Use for Hayes-Gough Neighborhood Commercial Transit District] Ordinance amending the Planning Code, Section 703.3, to expand the definition of formula retail uses in the Hayes-Gough Neighborhood Commercial Transit District; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan and the priority policies of Planning Code, Section 101.1..** Explanatory Documents: BOS File No. 130486, BOS File No. 130486 Legislative Digest. Presentation by Vallie Brown, Legislative Aide to Supervisor London Breed. (Discussion and Possible Action Item)

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8. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130712 [Interim Zoning Controls - Formula Retail Uses on Market Street, from 6th Street to Van Ness Avenue]** Resolution imposing interim zoning controls requiring conditional use authorization for formula retail uses, as defined, on Market Street, from 6th Street to Van Ness Avenue, subject to specified exceptions, for 18 months; and making findings, including findings of consistency with the priority policies of Planning Code, Section 101.1, and environmental findings.: BOS File No. 130712, BOS File No. 130712 Legislative Digest. Presentation by Ivy Lee of Supervisor Jane Kim. (Discussion and Possible Action Item)
9. **Approval of the March 11, 2013 meeting minutes: Explanatory Documents: Draft March 11, 2013 minutes.** (Action Item).
10. **Approval of the March 25, 2013 meeting minutes: Explanatory Documents: Draft March 25, 2013 minutes.** (Action Item).
11. **Approval of the April 8, 2013 meeting minutes: Explanatory Documents: Draft April 8, 2013 minutes.** (Action Item).
12. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
13. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
14. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
15. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
16. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
17. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
18. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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### **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

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Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[soff@sfgov.org](mailto:soff@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### **Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings**

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Disability Access Policy**

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### **Translation Services**

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### **Chemical Sensitivity**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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CHRIS SCHULMAN, COMMISSION SECRETARY









SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, July 22, 2013  
2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

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William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call:

The meeting was called to order at 2:12 pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena (2:17,) and Yee Riley were present. Commissioner White was absent-excused.

The Secretary announced at the beginning of the meeting that the presenter for Item 5 will be unable to present and that that item will be proposed for continuance.

2. General Public Comment:

General Public Comment was called for and no members of the public spoke during general public comment.

3. Presentation of the Small Business Commission Certificate of Honor recognizing a City Employee (Chris Schulman) as part of the SBC "City Employee Recognition Program."

Stephen Adams presented the Small Business Commission Certificate of Honor to Chris Schulman. Mr. Schulman accepted. Mr. Schulman and the Commission took a photo together and Mr. Schulman provided remarks to the Commission.

4. Presentation of the Small Business Commission Certificate of Honor recognizing a City Hall Fellow (Erick Orantes) as part of the SBC "City Employee Recognition Program."

Director Regina Dick-Endrizzi presented the Small Business Commission Certificate of Honor to Erick Orantes. Mr. Orantes accepted. Mr. Orantes and Commissioners took a photo together and Mr. Orantes provided remarks to the Commission.

5. Presentation by the San Francisco Planning Department on Formula Retail ordinance and policies in the City of San Francisco, including but not limited to the background, history, current laws and future proposals.

The Secretary announced that the presenter was unable to present due to a conflict with the Planning Department schedule at the Board of Supervisors Land Use Committee. The Secretary recommended that Public Comment be taken and that the item be continued to the call of the chair. Tentatively, the item will be scheduled for the August 12, 2013 meeting.

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Public Comment was called for. No members of the public commented.

Motion: Commissioner Dooley motioned to continue item number five to the call of the chair.

2<sup>nd</sup>: Commissioner Dwight

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

6. **Discussion on the role, purview and responsibilities of the Small Business Commission should it choose to make a recommendation to the Planning Commission or other City Commissions at the request of small businesses.**

The Director provided introductory remarks and introduced the Commissions City Attorney, Robert Bryan.

Commissioner O'Brien asked a clarifying question to the City Attorney on Commission actions when there is a conflict between a Commission action and a majority of public opinion or comment. Mr. Bryan responded that the Commission is charged with making a determination on what is in the best interest of the small business community and that public comment and opinion is only one factor that should be taken into account and that the body itself should make a determination that is in the best interest of City small businesses.

Public Comment was called for and no members of the public spoke during public comment.

This was a discussion item only.

7. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130486 [Planning Code - Formula Retail Use for Hayes-Gough Neighborhood Commercial Transit District]**

Vallie Brown, Legislative Aide to Supervisor London Breed Presented. Ms. Brown reviewed the proposed changes to the Hayes-Gough Neighborhood Transit District. Ms. Brown reviewed that the proposal will require stores with more than 11 outlets in the world to obtain Conditional Use Authorization under the City's formula retail controls. It will also require subsidiaries of formula retailers to obtain Conditional Use Authorization. These changes will only apply in the Hayes Gough NCT. She noted that Formula Retail is banned in the NCT and this will not change. She advised the Commission that Supervisor Breed introduced these changes at the behest of the Hayes Valley Merchants Association and the Hayes Valley Neighborhood Association.

Public Comment was called for:

Russell Prichard- Hayes Valley Merchants- Spoke in support. Mr. Prichard stated that this ordinance is necessary to protect Hayes Valley. Mr. Prichard reviewed the revitalization that has taken place over the past decades in Hayes Valley.

Mikha Elliot- Ms. Elliot spoke in support of the ordinance. She stated that she wanted to open up a business in a community with the support merchants and residents. Ms. Elliott also stated that rents are kept lower by keeping out formula retailers from the neighborhood.

Jim Walshell- HVNA- Spoke in support of the ordinance. Referenced that NCD's and NCT's have options to opt in to the Formula Retail controls at various levels and that Hayes Valley has chosen the most restrictive options. Hayes Valley Merchants Association supports the changes.

Public Comment was closed.

Motion: Commissioner Dooley motioned that the Small Business Commission recommend approval of BOS File No. 130486 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dwight

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Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

**8. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130712 [Interim Zoning Controls - Formula Retail Uses on Market Street, from 6th Street to Van Ness Avenue]**

Ivy Lee, Legislative Aide to Supervisor Jane Kim presented. On behalf of the Supervisor, Ms. Lee thanked the Commission for serving the City. Ms. Lee reviewed the legislation, which will stipulate that for the next 18 months a Conditional Use Authorization will be required for Formula Retail restaurants, limited restaurants, pharmacies, and financial services, on Market Street between 6<sup>th</sup> Street and Van Ness Avenue. Interested covered retailers will be required to complete an economic analysis before having their application considered by the Planning Commission. The Supervisor, during this 18 month period will consider permanent controls.

Public Comment was called for and no members of the public spoke during public comment.

Motion: Commissioner Dwight motioned that the Small Business Commission recommend approval of BOS File No. 130712 to the Board of Supervisors.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

**9. Approval of the March 11, 2013 meeting minutes: Explanatory Documents:**

Motion: Commissioner Yee Riley motioned to adopt the March 11, 2013 Draft Minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

**10. Approval of the March 25, 2013 meeting minutes: Explanatory Documents:**

Motion: Commissioner Yee Riley motioned to adopt the March 25, 2013 Draft Minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

**11. Approval of the April 8, 2013 meeting minutes: Explanatory Documents:**

Motion: Commissioner Dwight motioned to adopt the April 8, 2013 Draft Minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

**12. Directors Report:**

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CHRIS SCHULMAN, COMMISSION SECRETARY







The Director provided a written and verbal Directors Report.

The Director reviewed April, May, June and year end 12/13 SBAC numbers, which showed a 44% increase over the previous year. Following, the Director reviewed the Summer Youth Jobs Initiative and the On-Line Business Portal. Next the Director reviewed Policy and Legislation matters, including ADA, ACA, Mobile Retail, CRV, POS, Area Code, and Wage Theft Task Force. The Director concluded by recapping the Secretary's resignation and timelines for replacement employee.

**13. President's Report:**

No report.

**14. Vice-President's Report:**

The Vice President was absent-excused.

**15. Commissioner Reports:**

Commissioner Yee Riley noted that she attended a SBA meeting on planning a Chinese language lecture in Chinatown modeled over a lecture that took place in L.A.

Commissioner Dooley noted that she attended a Council of District Merchants meeting in which Formula Retail was a topic. She also noted that Supervisor Katy Tang will sponsor an ADA summit with Federal, State and Local representatives.

Commissioner Ortiz-Cartagena provided an update on Latin Bridal, a business in the Mission that was forced to relocate. He noted that several city agencies came together to provide assistance.

**16. General Public Comment:**

General Public Comment was called for and no members of the public spoke during general public comment.

**17. New Business:**

No new business.

**18. Adjournment:**

Motion: Commissioner Adams motioned to Adjourn

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: White

The meeting was adjourned at 3:39pm

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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRIS SCHULMAN, COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA \*AMENDED\*

Monday, August 12, 2013

5:30 P.M.

CITY HALL, ROOM 400

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Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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552  
#1  
8/12/13
1. **Call to order and roll call:**
  2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
  3. **Presentation by the San Francisco Planning Department on Formula Retail ordinance and polices in the City of San Francisco, including but not limited to the background, history, current laws and future proposals.** Presentation by Sophie Hayward, Planning Department staff. Explanatory Document: Memorandum to the Planning Commission: Formula Retail Controls Today and Tomorrow (Prepared by Planning Department Staff.) (Discussion and Possible Action Item)
  4. **Discussion and possible action to make recommendations to the Planning Department and Planning Commission on the Formula Retail Study Scope.** Explanatory Document: Economic Analysis of Formula Retail RFP Scope Document (Discussion and Possible Action Item)
  5. **Presentation by the San Francisco Department of the Environment on mandate and non-mandate programs, (Commuter benefits program, energy efficiency, green business program).** Presentation by Department of Environment staff. (Discussion Item)
  6. **Presentation on the events, activities and outcomes of Small Business Week 2013.** Presentation by Adam Straus, Straus Events. (Discussion Item)
  7. **Approval of the February 28, 2013 meeting minutes:** Explanatory Documents: Draft February 28, 2013 minutes. (Action Item).
  8. **Approval of the April 22, 2013 meeting minutes:** Explanatory Documents: Draft April 22, 2013 minutes. (Action Item).
  9. **Approval of the May 20, 2013 meeting minutes:** Explanatory Documents: Draft May 20, 2013 minutes. (Action Item).

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



10. **Approval of the June 10, 2013 meeting minutes:** Explanatory Documents: Draft June 10, 2013 minutes. (Action Item).
11. **Approval of the June 24, 2013 meeting minutes:** Explanatory Documents: Draft June 24, 2013 minutes. (Action Item).
12. **Approval of the July 8, 2013 meeting minutes:** Explanatory Documents: Draft July 8, 2013 minutes. (Action Item)
13. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
14. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
15. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
16. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
17. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
18. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
19. **Adjournment:** (Action Item)

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## **Know Your Rights Under the Sunshine Ordinance**

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY









# SAN FRANCISCO PLANNING DEPARTMENT

## Memorandum to the Planning Commission

HEARING DATE: JULY 25, 2013

*Project Name:* Formula Retail Controls Today and Tomorrow  
*Case No.:* 2013.0936U  
*Initiated by:* Planning Commission  
*Staff Contact:* Sophie Hayward, Legislative Planner  
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Jenny Wun, Legislative Intern  
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*Recommendation:* **Recommend Further Study**

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### STATEMENT OF PURPOSE

On October 27, 2011, Planning Commission President Rodney Fong directed staff to review and analyze planning controls for formula retail uses in San Francisco due to the numerous pending proposals to change these controls. While the Department has requested additional time to develop a thorough proposal, the Commission will consider a pending proposed Ordinance introduced by Supervisor Cohen to establish the Third Street Formula Retail Restricted Use District during the July 25, 2013 hearing.

This report will provide a history of formula retail controls in San Francisco, and will summarize existing controls across zoning districts, highlighting similarities and differences. In addition, this report will outline recent legislative proposals to amend the formula retail controls in individual neighborhoods. It is the Department's goal to develop a series of controls that are clear, concise, and easy to implement that will protect neighborhood character and provide necessary goods and services. Finally, this report will identify topics for additional study and will outline ideas for future amendments to the formula retail controls to better maintain both a diverse array of available goods and services and the unique character of San Francisco's neighborhoods, including Neighborhood Commercial Districts, downtown districts, and industrial areas.

### BACKGROUND

**History of San Francisco's Formula Retail Controls.** In 2004, the Board of Supervisors adopted San Francisco's first formula retail use controls, which added Section 703.3 ("Formula Retail Uses") to the Planning Code to provide both a definition of formula retail and a regulatory framework that intended, based on the findings outlined in the Ordinance, to protect "a diverse



retail base with distinct neighborhood retailing personalities comprised of a mix of businesses.”<sup>1</sup> The Ordinance established the existing definition for formula retail as “a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments, maintains two or more of the following features: a standardized array of merchandise, a standardized façade, a standardized décor and color scheme, a uniform apparel, standardized signage, a trademark or a servicemark.”<sup>2</sup> This first identification of formula retail in the Planning Code provided the following controls:

- Neighborhood Notification pursuant to Planning Code Section 312 for most permitted uses in Neighborhood Commercial Districts (NCDs);
- Conditional Use (CU) authorization for specific blocks and lots in the area of Cole and Carl Streets and Parnassus and Stanyan Streets; and,
- A prohibition on all formula retail uses within the Hayes-Gough Neighborhood Commercial District.

The 2004 Ordinance established a precedent for formula retail controls; a number of amendments in quick succession added districts in which formula retail uses require CU authorization, including: 2005 amendments that added the Haight Street NCD and the small-scale NCD along Divisadero Street between Haight and Turk Streets, and a 2006 amendment that added the Japantown Special Use District (SUD).<sup>3</sup> In addition, a 2005 amendment added a prohibition on formula retail uses in the North Beach NCD.<sup>4</sup> In 2006, Section 308.6 was added to the Planning Code, requiring CU authorization for formula retail uses in the Western SoMa Planning Area SUD.<sup>5</sup>

In 2007, formula retail controls were further expanded when San Francisco voters approved Proposition G, the so-called “Small Business Protection Act,” which amended the Planning Code by adding Section 703.4, requiring CU authorization for formula retail uses (as defined in the Code) proposed for any NCD.<sup>6</sup>

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<sup>1</sup> Ordinance Number 62-04, Board File 031501, available online at: <http://sfgov.legistar.com/LegislationDetail.aspx?ID=473759&GUID=A83D3A84-B457-4B93-BCF5-11058DDA5598&Options=ID|Text|&Search=62-04> (July 16, 2013). It is interesting to note that when this Ordinance was originally proposed, the definition of “formula retail” referred to a retail establishment with four or more outlets, rather than eleven or more establishments (as indicated in “Version 1” of the legislation). In addition, during the legislative review process, the Planning Department was not supportive of the controls, and cited difficulties in implementation and the additional staff required in order to implement the additional review procedures.

<sup>2</sup> Planning Code Section 703.3(b).

<sup>3</sup> Ordinances Nos. 8-05 (Haight Street), 173-05 (Divisadero Street), and 180-06 (Japantown). Available online at: <http://sfgov.legistar.com/Legislation.aspx>.

<sup>4</sup> Ordinance No. 65-05, available online at: <http://sfgov.legistar.com/Legislation.aspx>.

<sup>5</sup> Ordinance No. 204-06. This Section has since been further amended to allow formula retail uses with Conditional Use authorization in the MUG, UMU, Western SoMa SUD, the Chinatown Business District and the Chinatown Residential Neighborhood Commercial District, and to prohibit formula retail uses in the Chinatown Visitor Retail District, and to prohibit formula retail Restaurants in any Chinatown Mixed Use District. The Ordinances are available online at: available online at: <http://sfgov.legistar.com/Legislation.aspx>.

<sup>6</sup> The text of the Proposition, as well as arguments for (drafted by then-Supervisors Peskin, Sandoval, Ammiano, Daly, Mirkarimi, Gonzalez, and the nonprofit San Francisco Tomorrow) and against (drafted by then-Supervisors Elsbernd and Alioto-Pier) are available online here: <http://smartvoter.org/2006/11/07/ca/sf/meas/G/> (July 16, 2013).



The passage of Proposition G set the stage for a series of further amendments to the Planning Code that have further limited formula retail uses in a range of zoning districts, through CU authorization requirements and prohibitions, as summarized in Table 1, below.

**Voter-Established Controls vs. Typical Planning Code Amendments.** Proposition G, a voter-approved ballot proposition, established Planning Code Section 703.4; therefore, the contents of this section can only be changed through a similar ballot process, and may not be amended by the typical legislative process.

The specific provision that may not be altered without a ballot initiative requires that formula retail uses proposed for an NCD requires Conditional Use authorization by the Planning Commission. Conversely, the definition of "formula retail," the use types included in the definition, and the criteria for consideration may be altered through a standard Planning Code Amendment initiated by the mayor, the Board of Supervisors, or the Planning Commission. Furthermore, Section 703.4 specifically notes that the Board of Supervisors may adopt more restrictive provisions to regulate formula retail in any NCD.

#### **The Way It Is Now:**

**Definition.** The Planning Code includes an identical definition of "Formula Retail" in three locations: Section 303(i)(1), 703.3, and 803.6(c). "Formula Retail" is defined as: "a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments located in the United States, maintains two or more of the following features: a standardized array of merchandise, a standardized façade, a standardized décor and color scheme, a uniform apparel, standardized signage, a trademark or a servicemark." As noted above, this definition was first established in Section 703.3.

**Use Types Subject to the Definition of Formula Retail.** Section 303(i)(2) refines the definition of formula retail to include the following specific retail uses:

- Bars (defined in Section 790.22);
- Drive-Up Facilities (defined in Section 790.30);
- Eating and Drinking Use, Take Out Food, Limited Restaurant, and Restaurants (defined in Sections 790.34, 790.122, 790.90, and 790.91);
- Liquor Store (defined in Section 790.55);
- Sales and Service, Retail (defined in Section 790.104);
- Financial Service (defined in Section 790.110); and,
- Movie Theatre, Amusement and Game Arcade (defined in Sections 790.64 and 790.4).

The formula retail controls described in Articles 7 and 8 refer Section 303(i)(2) for the above listed uses. The exception to this list is "Trade Shop," a use defined in Section 790.124, which is only subject to the formula retail controls when proposed in the Taraval Street NCD, Noriega Street NCD and the Irving Street NCD.<sup>7</sup>

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<sup>7</sup> Sections 739.1 and 740.1. Section 790.124 defines Trade Shop as: "A retail use which provides custom crafted goods and/or services for sale directly to the consumer, reserving some storefront space for display and retail service for the goods being produced on site ..." includes: repair of personal apparel, accessories, household goods, appliances, furniture and similar items, but excluding repair of motor vehicles and structures; upholstery services; carpentry; building,



**Zoning Districts that Control Formula Retail.** Retail uses that fall into the category of formula retail, as described above, may be permitted, prohibited, or may require CU authorization, depending on the zoning district in which the use is proposed. In addition, there are specific controls or combinations of controls that apply only in certain zoning districts. Controls for formula retail uses are summarized in Tables 1 and 2 below.

Table 1: Summary of Basic Controls for Formula Retail Uses

Formula Retail Not Permitted	Formula Retail Requires a CU	Formula Retail Permitted
Hayes-Gough NCT	All Neighborhood Commercial Districts listed in Article 7	C-2, C-3 (all), C-M, M-1, M-2, PDR-1-G, PDR-1-D, PDR-1-B, PDR-2 (Section 218)
North Beach NCD	RC-3 and RC-4 (Section 209.8(d))	Potrero Center Mixed Use SUD (Section 249.40)
RH-1(D)-3, RM-1-4, RTO, RTO-M (Section 209.8)	Japantown SUD (249.31)	South Park District (Section 814)
Chinatown Visitor Retail District (Section 811)	Bayshore Boulevard Home Improvement SUD (249.65, when 10,000 square feet or larger.)	RSD (Section 815)
Residential Enclave District (Section 813)	Chinatown Community Business District (Section 810)	SLR (Section 816)
RED-MX (Section 847)	Chinatown Residential NCD (Section 812.1)	SLI (Section 817)
	Western SoMa SUD (Section 823, including specific review criteria)	SSO (Section 818)
	MUG District (Section 840)	Rincon Hill Downtown Residential District (Section 827)
	UMU (Section 843)	Transbay Downtown Residential District (Section 828)
	WMUG (Section 844)	Southbeach Downtown Residential District (Section 829)
	SALI (Section 846), with size limits	MUR (Section 841)
	WMUO (Section 845), with size limits	MUO (Section 842)

Table 1 summarizes the basic controls for Formula Retail by zoning district.

As illustrated above, formula retail uses typically require CU authorization in NC districts, are not permitted in residential districts, and are permitted in downtown and South of Market industrial districts.

Within a number of zoning districts, however, formula retail controls are further refined and differ from the basic uses and controls that apply to formula retail, as summarized below in Table 2. These controls have typically been added in response to concern regarding over-concentration of certain uses, perceived threats to independent businesses, or the impacts to neighborhood character caused by large use sizes within a geographic area. Examples of these specific controls

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plumbing, electrical, painting, roofing, furnace or pest control contractors ; printing of a minor processing nature; tailoring; and other artisan craft uses, including fine arts uses.



include the stipulation that Trade Shops (defined in Section 790.124) are subject to formula retail controls in certain NC districts in the Sunset, and that Pet Supply stores are subject to the controls on Geary Boulevard – a district that does not restrict many other uses categorized as formula retail.

Table 2: Summary of Formula Retail Controls Applicable to Individual Zoning Districts

Zoning Districts with Specific FR Controls	Summary of Control or Controls	Underlying FR Control
Upper Fillmore NCD (Section 718)	FR Restaurants/Limited Restaurants NP	FR Requires CU
Broadway NCD (Section 714)	FR Restaurants/Limited Restaurants NP	FR Requires CU
Mission Street FR Restaurant SUD (Section 781.5)	FR Restaurants/Limited Restaurants NP	FR Requires CU
Taraval Street Restaurant SUD	FR Restaurants/Limited Restaurants NP	FR Requires CU
Geary Boulevard FR Retail Pet Store and Restaurant SUD (Section 781.4)	FR Pet Supply Store NP and FR Restaurants/Limited Restaurants NP	FR P
Taraval Street NCD (Section 741)	Trade Shops are subject to FR Controls	FR Requires CU
Noriega Street NCD (Section 739)	Trade Shops are subject to FR Controls	FR Requires CU
Irving Street NCD (Section 740)	Trade Shops are subject to FR Controls	FR Requires CU
WMUO (Section 845)	FR NP if use is over 25,000 square feet	FR Requires CU
SALI (Section 846)	FR NP if use is over 25,000 square feet	FR Requires CU

*Table 2 summarizes the more specific controls that apply in certain zoning districts.*

As Table 2 indicates, a number of NCDs and SUDs have adopted controls specifically geared toward controlling formula retail restaurants, as well as more limited concern regarding formula retail pet supply stores and trade shops. Use size in association with formula retail has been identified as an issue to closely manage in the south of market districts.

**Conditional Use Criteria.** When hearing a request for CU authorization for a formula retail use, Section 303(i)(3) outlines the following five criteria the Commission is required to consider in addition to the standard Conditional Use criteria set for in Section 303(c):

1. The existing concentrations of formula retail uses within the district.
2. The availability of other similar retail uses within the district.
3. The compatibility of the proposed formula retail use with the existing architectural and aesthetic character of the district.
4. The existing retail vacancy rates within the district.
5. The existing mix of Citywide-serving retail uses and neighborhood-serving retail uses within the district.

**Changes of Use.** Planning Code Section 303(i)(7) requires that a change of use from one formula retail Use to another formula retail use requires a new Conditional Use authorization. In addition, a new Conditional Use authorization is required when the use remains the same, but the operator changes, with two exceptions:

1. Where the formula use establishment remains the same size, function and with the same merchandise, and



2. Where the change in the formula retail operator is the result of the "business being purchased by another formula retail operator who will retain all components of the existing retailer and make minor alterations to the establishment(s) such as signage and branding."

When the exceptions apply and no new Conditional Use authorization is required, all conditions of approval that were imposed with the first authorization remain associated with the entitlement.

**The Way It Would Be:**

**Active or Pending Legislation, Policies, or Decisions Related to Formula Retail.** The Commission is expected to consider the contents of this report on July 25, 2013. During this same hearing, the Commission also is expected to consider a draft Ordinance from Supervisor Cohen that would enact two changes regarding formula retail [Board File 130372]. This amendment would first create the Third Street Formula Retail Restricted Use District (RUD) along Third Street from Williams Avenue to Egbert Avenue. Second, the proposed RUD would require that any new formula retail use on Third Street between Williams Avenue and Egbert Avenue seek CU authorization to operate. If any existing formula retail use has not already procured a CU permit to operate as a formula retail use, any alteration permits for a new formula retail use would require CU authorization. Any expansion or intensification of an existing Formula Retail use would also require CU authorization.

In addition to Supervisor Cohen's pending ordinance described above, there are seven other proposals or pending modifications formula retail controls in the City. The following is a summary of active formula retail control proposals:

1. **Commission Policy for Upper Market.** This policy (established by Commission Resolution Number 18843 on April 11, 2013) provides the first quantitative measure for concentration. Under the law, concentration is to be considered but without guidance, concentration levels have been interpreted differently. Under this enacted policy, the Department recommends disapproval if certain concentrations are reached.
2. **Supervisor Breed** would create the Fillmore [BF 120814] and Divisadero [BF 120796] NCDs which, among other controls, originally sought to prohibit new formula retail uses. Her new proposal would seek to weigh the community voice over other considerations (including staff recommendation); generally weigh the hearing towards disapproval; legislate a requirement for pre-application meeting; and codify our current formula retail policy for Fillmore and Divisadero. While the commission recommended against codifying the formula retail policy and against deferring the commission recommendation to community groups, the Supervisor is still considering how to best amend this proposal.
3. **Supervisor Breed** would also amend the definition of formula retail but only in the Hayes-Gough NCT [BF 130468]. The legislation proposes to modify the definition of formula retail to include formula retail that is a type of retail sales activity or retail sales establishment and has eleven or more other retail sales establishments located *anywhere in the world* (emphasis added). The definition of formula retail would also include a type of retail sales activity or retail sales establishment where fifty percent (50%) or more of the stock, shares, or any



similar ownership interest of such establishment is owned by a formula retail use, or a subsidiary, affiliate, or parent of a formula retail use, even if the establishment itself may have fewer than eleven retail sales establishments located anywhere in the world.

4. **Supervisor Kim** introduced interim controls [BF 130712] at the July 9<sup>th</sup>, 2013 Board of Supervisors' hearing that would impose interim zoning controls requiring conditional use authorization for certain formula retail uses, as defined, on Market Street, from 6th Street to Van Ness Avenue, subject to specified exceptions for grocery stores, for 18 months.
5. **Implications from recent Board of Appeals hearing.** The Board of Appeals recently ruled (Appeal No. 13-030) that if a company has signed a lease for a location (even if the location is not yet occupied) those leases count that toward the 11 establishments needed to be considered formula retail. The Board discussed, but did not act on web-based establishments.
6. **Mobile Food Facilities.** Supervisor Wiener's recently approved ordinance amended the Department of Public Work's code [BF 120193] to restrict food trucks that are *associated* with formula retail establishments in the public right of way. The change of note is that for this restriction, the formula retail definition includes "affiliates" of formula retail restaurants, which includes an entity that is owned by or has a financial or contractual agreement with a formula retail use.
7. **Interim Controls in Upper Market.** On June 25, 2013, Supervisor Wiener introduced interim controls for Upper Market [BF 130677]. Although not specifically related to formula retail this resolution seeks to require CU for uses that are not currently regulated by formula retail controls but that have been suggested for inclusion in formula retail definition in the same way that financial services were recently added to the definition. Centers around 16th and Market would require a CU for limited financial and business services for 18 months.

#### REQUIRED COMMISSION ACTIONS

No action is required. The proposed resolution is before the Commission so that it may recommend further study of the issue.

#### ISSUES AND CONSIDERATIONS

As has been noted in recent case reports by the Department that address specific proposals and projects that include a formula retail component, San Francisco has struggled with the how best to define, manage, and evaluate chain establishments since the 1980s, when the NCDs were added to the Planning Code. The NCDs districts were specifically created to protect and maintain the unique character of these districts. That said, there are districts and neighborhoods that want to encourage access to the goods and services provided by certain forms of formula retail, or by specific companies that are considered formula retail; there are also neighborhoods that have banned formula retail of all kinds in order to protect the character derived from independent businesses.



In this section, we consider the definition of formula retail, statistics related to CU authorization applications since the implementation of the first formula retail controls, a review of the economic impacts of formula retail, and the approach to formula retail controls taken in other jurisdictions.

#### **Formula Retail Defined: Chain Stores, National Brands, and Local Favorites**

Existing formula retail controls apply to businesses that one would expect to consider “chain stores,” such as so-called big box retailers, as well as to businesses that may be surprising, such as smaller-scale businesses with local ownership, but with eleven or more brick and mortar establishments. The broadest definition of “Formula Retail” included in the Planning Code is:

[A use] hereby defined as a type of retail sales activity or retail sales establishment which, along with eleven or more other retail sales establishments located in the United States, maintains two or more of the following features: a standardized array of merchandise, a standardized façade, a standardized décor and color scheme, a uniform apparel, standardized signage, a trademark or a servicemark.<sup>8</sup>

The definition currently appears in three places in the Planning Code: Sections 303(i), 703.3(c), and 803.6, and captures many of the types and sizes of businesses generally associated with the term “chain store”:

- “Big box” retailers such as Walmart, HomeDepot, and CVS;
- Fast food restaurants such as Subway, McDonalds, and casual dining establishments such as TGI Fridays and Chipotle;
- Nationally recognized brands such as the Gap, Footlocker, and AMC Movie Theaters.

As noted in the Finding 9 of Section 703.3(1), which outlines the general controls applicable within the City’s NCDs, formula retail establishments may ... “unduly limit or eliminate business establishment opportunities for smaller or medium-sized businesses, many of which tend to be non-traditional or unique, and unduly skew the mix of businesses towards national retailers in lieu of local or regional retailers[...].” The controls are explicit in their intent to provide additional oversight to national brands that may fit general use size limitations, but may also pose a threat to the unique visual character of San Francisco’s neighborhood commercial districts.

However, the definition also captures a number of local brands and smaller retailers that may not typically be associated with the term chain store, such as:

- La Boulange Bakery, which has 20 locations, all in the Bay Area;
- Pet Food Express, which has 47 stores, all in the Bay Area;
- Blue Bottle Coffee, which has 11 locations: six in the Bay Area, and five in New York City;
- Benefit Cosmetics, which has six Bay Area locations, as well as five in the Chicago area, and seven in the northeast including New York, Massachusetts, and Connecticut.

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<sup>8</sup> Planning Code Sections 703.3 and 803.6



Conversely, the definition does not apply to a number of establishments that are nationally known brands with standardized signage, a standardized décor, and a trademark, such as:

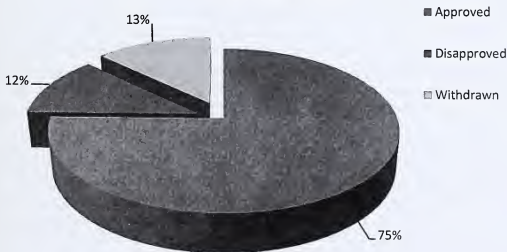
- Uniqlo, Boots Pharmacy, and David's Teas: three internationally known stores and brands with fewer than 11 stores or retail outlets in the United States;
- High end clothiers that are found in many department stores, with few brick and mortar stores, such as Gant, Jack Spade, and Joie;
- Chevron Gas Station and Equinox Gym meet threshold criteria for the number of locations as well as standardized branding, but do not fall into the types of "retail" to which the controls apply.

#### Data Related to Applications for CU Authorization for Formula Retail in San Francisco

Of the cases that have been filed with the Department and resolved since the enactment of San Francisco's formula retail controls in 2004, there have been approximately 93 formula retail Conditional Use cases. Of those 12 have been withdrawn, 11 have been disapproved, 70 have been approved. Not including currently active cases,

- 25% of all Formula Retail Conditional Use applications have been either withdrawn by the applicant or disapproved by the Commission and
- 75% of all Conditional Use applications have been approved by the Planning Commission.

#### Actions on Conditional Use Applications for Formula Retail



*This pie-chart shows the results of the 93 CU applications for formula retail that have been resolved. In addition to the closed cases shown above, there are currently 12 applications which are pending a hearing before the Planning Commission.*



## Survey of Economic Impacts of Formula Retail Uses and Non-Formula Retail Uses

During a staff review of existing research and study of formula retail, the Department found that most of the studies done to date focused on big box retail. The Institute for Local Self-Reliance maintains a collection of research, some of which was relevant information for San Francisco. Attachment C contains a survey of material, some published in journals such as the Cambridge Journal of Regions and Economy and Society, Economic Development Quarterly, some not. The majority of the relevant research has been completed by Civic Economics and The Institute for Local Self-Reliance, as commissioned work. A review of existing findings of this work showed several case studies that compare economic impacts from formula retail uses and non-formula retail uses, including one study conducted in San Francisco<sup>9</sup>. Although most studies investigate economic impacts in smaller cities with less density and intense uses than San Francisco, the studies conclude that non-formula retail uses generate greater economic impacts for the local economy.

Below, the department reviews two recent studies examining formula retail and non-chain stores: an overview of other studies by Ridley & Associates in 2008 and the Civic Economics that was specific to San Francisco in 2007.<sup>10</sup> Both of these studies found that both formats have economic advantages. The Ridley & Associates study compared the economic impacts of "local stores" vs. "chain stores" and established three major findings:

- First, formula retailers provide goods and services at a more affordable cost and can serve as retail anchors for developing neighborhoods.
- Second, these formula retailers can also attract new customers, and offer a greater selection of goods and services.
- Third, conversely, independent businesses generate a higher investment return, and overall economic growth, for the local economy in comparison to formula retailers. According to the report, local stores generate more economic growth because they tend to pay higher wages; purchase goods and services from local businesses at twice the rate as chain stores; and employees and owners tend to live in the local area, therefore returning their earnings back to the local community.

Looking specifically at San Francisco, the Civic Economics study stated that the increased retail sales generated by independent merchants generate additional taxable income for public services. The study highlights that independent restaurants tend to generate the most economic growth for the local economy due to the fact they function like small manufacturing establishments and pay higher wages. Other independent merchants that generate less pronounced economic growth include book stores, toy stores and sporting goods stores. Figure 1 illustrates the difference in economic growth generation between chain and independent retailers in three communities:

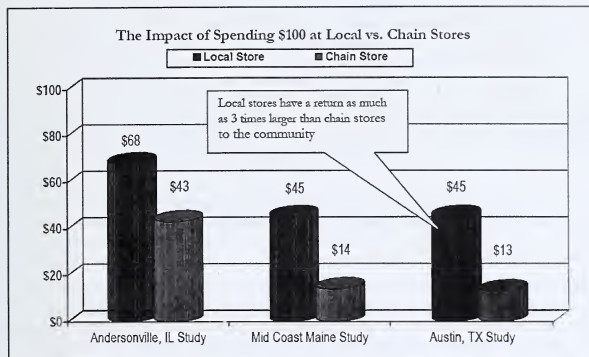
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<sup>9</sup> Institute for Local Self-Reliance. "Key Studies on Big Box Retail and Independent Business". <http://www.ilsr.org/key-studies-walmart-and-bigbox-retail/> (June 28, 2013).

<sup>10</sup> Ridley & Associates, Inc. "Are Chain Stores Bad?" 2008. [http://www.capecodcommission.org/resources/economicdevelopment/Are\\_Chain\\_Stores\\_Bad.pdf](http://www.capecodcommission.org/resources/economicdevelopment/Are_Chain_Stores_Bad.pdf) and Civic Economics. "The San Francisco Retail Diversity Study." May 2007. <http://civiceconomics.com/app/download/5841704804/SFRDS+May07.pdf>



Anderson, Illinois, Maine, and in Austin, Texas. The Department believes that further research is needed in this area.



*This graphic prepared by Ridley and Associates illustrates the higher investment return to the community by local stores.*

#### Formula Retail Controls Across the Nation

The proliferation of formula retail is occurring throughout the nation. Several cities are in the process of or have recently adopted formula retail regulations. (See Attachment B for a table of cities with such controls compiled by the Institute for Local Self-Reliance.) Staff review of these controls reveal that concerns about formula retail include: 1) preservation of the neighborhood character; 2) maintenance of diverse store fronts, goods and services. 3) activation of streetscapes and 4) support for potential economic advantages of independent businesses. Many of the ordinances do not seek to prohibit every formula establishment, but instead seek to prevent a proliferation of formula retail may disrupt the culture of a neighborhood and/or discourage diverse retail and services.

Formula retail controls have been enacted in states including Texas, Florida, Idaho and Massachusetts. Cities that have adopted formula retail laws tend to be smaller than San Francisco and are often located in California. Other than San Francisco, the largest city that has an enacted law is Fairfield Connecticut which has a population of 57,000. In addition to whole cities, a portion of New York City, the Upper West Side neighborhood, has enacted controls that while not formula retail controls per se, do seek to limit the size of establishments and impose



the frontage area of these businesses to conform with existing businesses.”<sup>18</sup>

By upholding Coronado’s right to enact controls that provided strict oversight over formula retail establishments, the Court sent a signal to other jurisdictions considering local controls.

## RECOMMENDATION

The Department recommends that the Commission recommend that the issue of formula retail be studied further to increase understanding of the issue as a whole, and to examine potential economic and visual impacts of the proposed controls compared to the absence of new controls. If pending proposals move forward before the Department completes further study, the Department recommends that the Commission recommend resisting patchwork changes to structural components of the controls (such as modifying the definition of formula retail); these types of structural changes are best applied citywide.

## BASIS FOR RECOMMENDATION

The goal of this report is to lay the groundwork for a set of controls that appropriately and accurately evaluates the merits of formula retail and manages its impacts – positive and negative. The Department seeks a solution that will consolidate controls in a manner that is clear to the public, and consistently implemented by staff. Further, the Department seeks to develop criteria based on sound economic data and land use policy in order to protect the diversity of goods and services available to residents and visitors as well as the economic vitality of commercial districts large and small.

Formula retail controls in San Francisco have evolved over the last nine years, and as indicated by the diversity of pending legislative proposals, many elected officials believe the controls need updating. As the issues and implications are numerous, the department recommends that changes be made based upon data and sound research. To assist with this effort, the Director has asked staff to seek consultant assistance on a study of the issues early this fall.

There are at least six discreet topics that staff grapples with and that the Department seeks to understand better, including: 1) the structure of the controls including the definition of use types, size, and number of establishments, 2) the criteria for evaluation, 3) visual impacts, 4) economic impacts, and 5) geographic boundaries of the controls.

### 1. Structural Controls: Definition, Use Types, and Size

All formula retail use types are currently considered in the same manner, and the criteria for evaluation are universally applied: a clothing store is evaluated using the same criteria as are used to consider a proposed new grocery store or a fast food restaurant. This begs the question: should the formula retail controls treat all use types equally? Are there formula

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<sup>18</sup> The Malibu Times, “Public Forum: Chain Stores, formula retail ordinances and the future of Malibu”. Posted on March 27, 2013. Retrieved from: [http://www.malibutimes.com/opinion/article\\_145150ca-9718-11e2-892c-001a4bcf887a.html](http://www.malibutimes.com/opinion/article_145150ca-9718-11e2-892c-001a4bcf887a.html) on July 16, 2013.



retail use types that should be encouraged, and others that should be discouraged? Do all formula retail uses have the same impacts in every location?

The Department would like to explore whether uses such as grocery stores and pharmacies provide needed neighborhood-serving goods and services to underserved areas, and whether there exist a sufficient number of independent retailers to provide such goods and services. Proposed amendments to the formula retail controls may target specific uses, such as grocery stores, for specific underserved areas and provide a set of criteria and/or incentives to encourage use types that provide essential goods or services in appropriate locations. Based upon the current controls, on the other hand, it appears that formula retail restaurants are less beneficial, perhaps having a greater impact on neighborhood character than other use types.

Conversely, the range of use types and sizes captured by the existing definition of formula retail may decrease the availability of neighborhood-serving goods and services, and lead to gentrification. Can the presence of upscale formula retail lead to gentrification? A 2002 report from the Institute for Local Self Reliance (ILSR) addresses the role of formula retail in gentrification, and specifically addresses the role of protecting neighborhood-serving retailers.<sup>19</sup> Stacy Mitchell of ILSR notes, "[...]And of course there are plenty of formula businesses that are very expensive, such as Whole Foods, Restoration Hardware, and many clothing chains. (Indeed, these are probably the kinds of formula businesses that would locate in Hayes Valley if given the chance.)"<sup>20</sup>

Further, many proposals seek to expand the definition of formula retail. Perhaps the trigger of eleven national establishments could be revised, or perhaps the definition should also consider the prevalence of an establishment within San Francisco. It seems increases in the square footage, street frontage or number of formula retail establishments within San Francisco may dilute the City's unique character.

## 2. Criteria for Evaluation

As noted throughout this report, the same five criteria are used to evaluate all forms of formula retail proposed in districts that require CU authorization. The Department proposes to consider gradations of criteria that address concentration on one hand, and use types on the other.

Should local retailers with eleven establishments be subject to the same criteria as Walmart? Or, does it make more sense to establish a simpler set of criteria for smaller outlets that are not part of large retailers that perhaps already have a significant presence in the city, and to impose a more rigorous set of criteria on larger stores? Is "eleven" the appropriate number to define a business as a formula retail establishment?

A recently adopted Commission policy considers the existing concentration of formula retail uses within the Upper Market NCT when evaluating new formula retail proposals in the district. This approach will be reviewed as the Department's proposal is developed.

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<sup>19</sup>"Tackling the Problem of Commercial Gentrification," November 1, 2002, available online at: <http://www.ilsr.org/retail/news/tackling-problem-commercial-gentrification/> (July 17, 2013).

<sup>20</sup> Stacy Mitchell. Institute for Local Self Reliance. E-mail communication. July 17, 2013.



### 3. Visual Impacts

The unique character of San Francisco neighborhoods is derived not only from the diversity of goods and services offered, but also from the appearance of the streetscape. While the term "formula retail" may conjure images of large big box chain stores, formula retail establishments may also be small, upscale boutiques. The common thread is that formula retail businesses all have a standardized brand used across a minimum of eleven locations. Does this level of standardization allow for a sense of place that can respond to the unique neighborhood character of a particular location?

### 4. Economic Impacts

While one study of potential economic impacts of formula retail has been completed in San Francisco (the previously cited Civic Economics Report), the Department would like to examine the issue more specifically with neighborhood case studies comparing neighborhoods with and without controls to assess vacancy rates, commercial rents, turnover rates, and the availability of services and goods appropriate to the neighborhood.

The Department intends to explore ways to incorporate use size limits, street frontage maximums, transparency thresholds, and signage considerations into our formula retail controls as ways to further protect and enhance the visual character of neighborhoods. Until this study can be completed, the Department is wary of enacting a patchwork of different formula retail controls throughout the city without specific evidence to warrant such changes. For this reason, the Department recommends minimal changes until a study can be completed to clarify impacts of formula retail controls to neighborhood vitality and character.

### 5. Geographic Boundaries of Controls

Two pending proposals would extend formula retail controls beyond the traditional neighborhood commercial districts and mixed use districts and into more the industrial production, distribution, and repair districts [Supervisor Cohen, BF 130372] and the city's downtown C-3 district [Supervisor Kim, BF130712]. The department seeks to inform potential geographic expansion with new information gleaned from exploration of the issues above.

If the Commission agrees, the Department proposes to develop a more robust set of amendments to bring forward to the Commission for consideration in the fall of 2013 to ensure that neighborhood-serving retailers thrive, the visual character of individual neighborhood commercial districts is maintained, and essential goods and services are available to residents and visitors alike.

### ENVIRONMENTAL REVIEW

The proposal to conduct a study prior to further changes to existing controls would result in no physical impact on the environment. This proposal is exempt from environmental review under Section 15060(c)(2) of the CEQA Guidelines.



**PUBLIC COMMENT**

As of the date of this report, the Planning Department has received an email from Paul Wermer summarizing his understanding of existing community sentiment as well as his own proposal for the regulation of formula retail. The letter is attached.

<b>RECOMMENDATION:</b> Recommendation of Further Study
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**ATTACHMENTS AND EXHIBITS**

Attachment A: Draft Planning Commission Resolution  
Attachment B: Formula Retail Bylaws Nationwide  
Attachment C: Survey of Studies and Research  
Attachment D: E-mail from Paul Wermer & his proposal for formula retail controls  
Attachment E: Legislative Timeline  
Attachment F: Map Illustrating Current Formula Retail Controls





# SAN FRANCISCO PLANNING DEPARTMENT

## Draft Planning Commission Resolution

HEARING DATE: JULY 25, 2013

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*Date:* July 25, 2013  
*Case No.:* 2013.0936U  
*Initiated by:* Planning Commission  
*Staff Contact:* Sophie Hayward, Legislative Planner  
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*Reviewed by:* AnMarie Rodgers, Manager, Legislative Affairs  
[AnMarie.Rodgers@sfgov.org](mailto:AnMarie.Rodgers@sfgov.org)

*Recommendation:* **Recommend Further Study**

RECOMMENDING TO THE BOARD OF SUPERVISORS THAT THE ISSUE OF FORMULA RETAIL BE STUDIED FURTHER TO INCREASE UNDERSTANDING OF THE ISSUE OVERALL AND TO EXAMINE POTENTIAL ECONOMIC AND VISUAL IMPACTS OF THE PROPOSED CONTROLS VERSES THE ABSENCE OF NEW CONTROLS. IF PROPOSALS ARE TO MOVE FORWARD BEFORE FURTHER STUDY CAN BE DONE, THE COMMISSION RECOMMENDS RESISTING PATCHWORK CHANGES TO STRUCTURAL COMPONENTS OF THE CONTROLS SUCH AS THE DEFINITION OF FORMULA RETAIL, FOR THESE TYPES OF STRUCTURAL CHANGES ARE BEST APPLIED CITYWIDE.

### PREAMBLE

Whereas, in 2004, the Board of Supervisors adopted San Francisco's first Formula Retail Use controls, which added Section 703.3 ("Formula Retail Uses") to the Planning Code to provide both a definition of formula retail and a regulatory framework that intended, based on the findings outlined in the Ordinance, to protect "a diverse retail base with distinct neighborhood retailing personalities comprised of a mix of businesses."; and

Whereas, in 2007, formula retail controls were further expanded when San Francisco voters approved Proposition G, the so-called "Small Business Protection Act," which amended the Planning Code by adding Section 703.4, requiring Conditional Use authorization for formula retail uses (as defined in the Code) proposed for any Neighborhood Commercial District.; and

Whereas, since the passage of Proposition G, controls for formula retail have been amendment multiple times; and



Whereas, currently there are no less than eight proposals to further amend formula retail controls that are under consideration; and

Whereas, the San Francisco Planning Commission (hereinafter "Commission") wants to ensure that changes to formula retail are fully vetted and researched; and

Whereas, the proposed policy is not an action subject to CEQA; and

Whereas, on July 25, 2013 the Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Policy and adopted the proposed policy; and

Whereas, the Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the public, Department staff, and other interested parties; and

Whereas, the all pertinent documents may be found in the files of the Department, as the custodian of records, at 1650 Mission Street, Suite 400, San Francisco; and

MOVED, that the Commission recommends that the issue of formula retail be studied further to increase understanding of the issue overall and to examine potential economic and visual impacts of the proposed controls verses the absence of new controls. If proposals are to move forward before further study can be done, the Department recommends that the Commission recommend resisting patchwork changes to structural components of the controls such as the definition of formula retail, for these types of structural changes are best applied citywide.

## FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

- The Commission seeks a solution that will consolidate controls in a manner that is clear to the public, and consistently implemented by staff.
- The Commission seeks to develop criteria based on sound economic data and land use policy in order to protect the diversity of goods and services available to residents and visitors as well as the economic vitality of commercial districts large and small.
- Formula retail controls in San Francisco have evolved over the last nine years, and as indicated by the diversity of pending legislative proposals, many elected officials believe the controls need updating.
- As the issues and implications are numerous, the Commission recommends that changes be made based upon data and sound research. To assist with this effort, the Director has asked staff to seek consultant assistance on a study of the issues early this fall.
- The topics that staff are grappling with and that the Commission would seek to understand better at least six topics including: 1) the very structural of the controls such as definition use



types and size, 2) the criteria for evaluation, 3) visual impacts, 4) economic impacts, and 5) geographic boundaries of the controls.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on July 25, 2013.

Jonas P Ionin  
Acting Commission Secretary

AYES:

NAYS:

ABSENT:

ADOPTED:



## Attachment B: Formula Business Bylaws Nationwide

Compiled by Institute for Local Self-Reliance

Formula Retail Controls

City	State	Pop.	Bylaw Type	Formula Store Limit	Special Permit Req'd?	Formula Store Size Limit
San Francisco	CA	810,000	Formula Retail		Yes	
Fairfield	CT	57,000	Formula Retail		Yes	4000
Barnstable	MA	48,000	Formula Business	Partial Ban		
Benicia	CA	27,000	Formula Retail	1 per co.	Yes	
Coronado	CA	24,000	Formula	10		
Coronado	CA	24,000	Formula Retail		Yes	500
Bristol	RI	23,000	Formula Retail		Yes	2500
Bainbridge Island	WA	20,300	Formula Takeout	Ban		4000
Arcata	CA	17,000	Formula	1,1,2,5		
Concord (Proposed)	MA	17,000	Formula Business	13,13,1,10	Yes	3500
Dennis	MA	16,000	Formula Business	Partial Ban	Where	
Pacific Grove	CA	15,500	Fast Food	Ban		
York	ME	13,000	Formula	Ban		
Fredricksburg	TX	10,800	Formula Retail		Yes	
Nantucket	MA	9,500	Formula Business	Ban		
Port Townsend	WA	8,300	Formula Retail	Partial Ban	Where	
Port Jefferson	NY	7,800	Fast Food	Partial Ban		
Chatham	MA	6,600	Formula Business		Yes	
Sanibel	FL	6,100	Formula	Ban		
Sausalito	CA	5,300	Formula		Yes	
Solvang	CA	5,300	Formula	Partial Ban		
Calistoga	CA	5,200	Formula	Ban		
Carmel-by-the-Sea	CA	4,100	Formula	Ban		
McCall	ID	2,000	Formula Retail	10% of stores		
San Juan Bautista	CA	1,700	Formula Business	Partial Ban		5000 where
Ogunquit	ME	1,225	Formula	Ban		
Chesapeake City	MD	800	Formula Business	Partial Ban	Where	
Provincetown	MA		Formula Business		Yes	



## SOCIAL AND CIVIC WELL-BEING

The Health and Wealth of US Counties: How the Small Business Environment Impacts Alternative Measures of Development – by Troy C. Blanchard, Charles Tolbert, and Carson Mencken, *Cambridge Journal of Regions, Economy, and Society*, 2011.

This is one of several studies that have drawn a link between an economy of small-scale businesses and improved community well-being, including lower rates of crime and better public health. “Counties with a vibrant small-business sector have lower rates of mortality and a lower prevalence of obesity and diabetes” compared to places dominated by big firms, the authors conclude. They surmise that a high degree of local ownership improves a community’s “collective efficacy” — the capacity of its residents to act together for mutual benefit. Previous research has linked collective efficacy to population health, finding that engaged communities tend to create the kinds of infrastructure that foster healthier choices.

<http://cjres.oxfordjournals.org/content/early/2011/12/14/cjres.rsr034.short?rss=1>

The Configuration of Local Economic Power and Civic Participation in the Global Economy – by Troy Blanchard and Todd L. Matthews, *Social Forces*, June 2006.

This study finds that residents of communities with highly concentrated economies tend to vote less and are less likely to keep up with local affairs, participate in community organizations, engage in reform efforts or participate in protest activities at the same levels as their counterparts in communities with dispersed economies composed predominantly of locally owned small businesses.

[http://muse.jhu.edu/login?auth=0&type=summary&url=/journals/social\\_forces/v084/84.4/blanchard.html](http://muse.jhu.edu/login?auth=0&type=summary&url=/journals/social_forces/v084/84.4/blanchard.html)

## HOUSEHOLD INCOME

Does Local Firm Ownership Matter? — by Stephan Goetz and David Fleming, *Economic Development Quarterly*, April 2011.

Goetz and Fleming analyze 2,953 counties, including both rural and urban places, and find that, after controlling for other factors that influence growth, those with a larger density of small, locally owned businesses experienced greater per capita income growth between 2000 and 2007. The presence of large, non-local businesses, meanwhile, had a negative effect on incomes.

<http://edq.sagepub.com/content/25/3/277.abstract>

## LOCAL ECONOMIC IMPACT

Independent BC: Small Business and the British Columbia Economy — by Civic Economics, February 2013



Commissioned by the British Columbia division of the Canadian Union of Public Employees, this study analyzes the market share and economic impact of the province's independent retailers and restaurants. It finds that BC's independent retailers captured just over half of all retail sales as recently as 2003, but have since lost ground. By 2010, independents accounted for 45 percent of BC's overall retail sales and only 34 percent of the market with automobile and gasoline sales excluded. Although BC has a reputation for innovative planning initiatives, on this measure it lags the rest of Canada, where independents account for 42 percent of retail spending. Among restaurants, BC's independent sector accounts for 72 percent of full-service dining and 19 percent of limited-service dining. With regard to economic impact, the study finds that, for every \$1,000,000 in sales, independent retail stores generate \$450,000 in local economic activity, compared to just \$170,000 for chains. Among restaurants, the figures are \$650,000 for independents and \$300,000 for chains. Across both sectors, this translates into about 2.6 times as many local jobs created when spending is directed to independent businesses instead of chains. The study concludes that a shift of just 10 percent of the market from chains to independents would produce 31,000 jobs paying \$940 million in annual wages to BC workers.

<http://www.civiceconomics.com/app/download/7120042004/Independent+BC+for+Screen.pdf>

Indie Impact Study Series: Salt Lake City, Utah — Civic Economics, August 2012

In this study, Civic Economics analyzed data from fifteen independent retailers and seven independent restaurants, all located in Salt Lake City, and compared their local economic impact with four national retail chains (Barnes & Noble, Home Depot, Office Max, and Target) and three national restaurant chains (Darden, McDonald's, and P.F. Chang's). The study found that the local retailers return a total of 52 percent of their revenue to the local economy, compared to just 14 percent for the national chain retailers. Similarly, the local restaurants recirculate an average of 79 percent of their revenue locally, compared to 30 percent for the chain eateries. What accounts for the difference? In a handy graphic, Civic Economics shows the breakdown. Independent businesses spend more on local labor, goods procured locally for resale, and services from local providers. This means a much larger share of the money you spend at a locally owned store stays in your local economy, supporting a variety of other businesses and jobs.

<http://www.localfirst.org/images/stories/SLC-Final-Impact-Study-Series.pdf>

Going Local: Quantifying the Economic Impacts of Buying from Locally Owned Businesses in Portland, Maine — by Garrett Martin and Amar Patel, Maine Center for Economic Policy, December 2011

On a dollar-for-dollar basis, the local economic impact of independently owned businesses is significantly greater than that of national chains, this study concludes. Analyzing data collected from 28 locally owned retail businesses in Portland, Maine, along with corporate filings for a representative national chain, the researchers found that every \$100 spent at locally owned businesses contributes an additional \$58 to the local economy. By comparison, \$100 spent at a chain store in Portland yields just \$33 in local economic impact. The study concludes that, if residents of the region were to shift 10 percent of their spending from chains to locally owned



businesses, it would generate \$127 million in additional local economic activity and 874 new jobs.

<http://www.mecorp.org/view.asp?news=2003>

Thinking Outside the Box: A Report on Independent Merchants and the Local Economy -by Civic Economics, September 2009

*This study examined financial data from 15 locally owned businesses in New Orleans and compared their impact on the local economy to that of an average SuperTarget store. The study found that only 16% of the money spent at a SuperTarget stays in the local economy. In contrast, the local retailers returned more than 32% of their revenue to the local economy. The primary difference was that the local stores purchase many goods and services from other local businesses, while Target does not. The study concludes that even modest shifts in spending patterns can make a big difference to the local economy. If residents and visitors were to shift 10% of their spending from chains to local businesses, it would generate an additional \$235 million a year in local economic activity, creating many new opportunities and jobs. Likewise, a 10% shift in the opposite direction – less spending at local stores and more at chains – would lead to an economic contraction of the same magnitude. Another noteworthy finding of the study is that locally owned businesses require far less land to produce an equivalent amount of economic activity. The study found that a four-block stretch of Magazine Street, a traditional business district, provides 179,000 square feet of retail space, hosts about 100 individual businesses, and generates \$105 million in sales, with \$34 million remaining in the local economy. In contrast, a 179,000-square-foot SuperTarget generates \$50 million in annual sales, with just \$8 million remaining in the local economy, and requires an additional 300,000 square feet of space for its parking lot. See our [New Rules](#) article for more background on this study.*

<http://civiceconomics.com/app/download/5841600904/Magazine+Street+2009.pdf>

Local Works: Examining the Impact of Local Business on the West Michigan Economy – by Civic Economics, September 2008

*This study concludes that if residents of Grand Rapids and surrounding Kent County, Michigan, were to redirect 10 percent of their total spending from chains to locally owned businesses, the result would be \$140 million in new economic activity for the region, including 1,600 new jobs and \$53 million in additional payroll. The study calculates the market share of independent businesses in four categories: pharmacy (41%), grocery (52%), restaurants (50%), and banks (6%). It analyzes how much of the money spent at these businesses stays in the area compared to national chains. Local restaurants, for example, return more than 56% of their revenue to the local economy in the form of wages, goods and services purchased locally, profits, and donations. Chain restaurants return only 37%. Measuring the total economic impact of this difference, including indirect and induced activity, the study estimates that \$1 million spent at chain restaurants produces about \$600,000 in additional local economic activity and supports 10 jobs. Spending \$1 million at local restaurants, meanwhile, generates over \$900,000 in added local economic activity and supports 15 jobs. The study also analyzes the economic impact of independent vs. chain businesses on a square footage basis, noting, “In a largely built-out city*



*like Grand Rapids, policy dictates seeking the highest and best use of available properties, and this analysis strongly supports the idea that local firms should be the preferred tenants for city sites."*  
<http://civiceconomics.com/app/download/5841655104/GR+Local+Works+Complete.pdf>

The San Francisco Retail Diversity Study – By Civic Economics, May 2007

*This study finds that San Francisco remains a stronghold for locally owned businesses, which generate sizable benefits for the city's economy. The study has three parts. The first calculates market shares for independents and chains in several categories: bookstores, sporting goods stores, toy stores, and casual dining restaurants. In all four categories, independent businesses capture more than half of sales within the city of San Francisco, a much larger share than they have nationally. The second part examines the economic impact of locally owned businesses versus chains. It finds that local businesses buy more goods and services locally and employ more people locally per unit of sales (because they have no headquarters staff elsewhere). Every \$1 million spent at local bookstores, for example, creates \$321,000 in additional economic activity in the area, including \$119,000 in wages paid to local employees. That same \$1 million spent at chain bookstores generates only \$188,000 in local economic activity, including \$71,000 in local wages. The same was true in the other categories. For every \$1 million in sales, independent toy stores create 2.22 local jobs, while chains create just 1.31. The final part of the study analyzes the impact of a modest shift in consumer spending. If residents were to redirect just 10 percent of their spending from chains to local businesses, that would generate \$192 million in additional economic activity in San Francisco and almost 1,300 new jobs.*

<http://civiceconomics.com/app/download/5841704804/SFRDS+May07.pdf>

The Andersonville Study of Retail Economics – By Civic Economics, October 2004

*This compelling study, commissioned by the Andersonville Development Corporation, finds that locally owned businesses generate 70 percent more local economic impact per square foot than chain stores. The study's authors, Dan Houston and Matt Cunningham of Civic Economics, analyzed ten locally owned restaurants, retail stores, and service providers in the Andersonville neighborhood on Chicago's north side and compared them with ten national chains competing in the same categories. They found that spending \$100 at one of the neighborhood's independent businesses creates \$68 in additional local economic activity, while spending \$100 at a chain produces only \$43 worth of local impact. They also found that the local businesses generated slightly more sales per square foot compared to the chains (\$263 versus \$243). Because chains funnel more of this revenue out of the local economy, the study concluded that, for every square foot of space occupied by a chain, the local economic impact is \$105, compared to \$179 for every square foot occupied by an independent business.*

<http://civiceconomics.com/app/download/5841713404/AndersonvilleStudy.pdf>

The Economic Impact of Locally Owned Businesses vs. Chains: A Case Study in Midcoast Maine – by the Institute for Local Self-Reliance and Friends of Midcoast Maine, September 2003.

*Three times as much money stays in the local economy when you buy goods and services from locally owned businesses instead of large chain stores, according to this analysis, which tracked*



*the revenue and expenditures of eight locally owned businesses in Midcoast Maine. The survey found that the businesses, with had combined sales of \$5.7 million in 2002, spent 44.6 percent of their revenue within the surrounding two counties. Another 8.7 percent was spent elsewhere in the state of Maine. The four largest components of this local spending were: wages and benefits paid to local employees; goods and services purchased from other local businesses; profits that accrued to local owners; and taxes paid to local and state government. Using a variety of sources, the analysis estimates that a national big box retailer operating in Midcoast Maine returns just 14.1 percent of its revenue to the local economy, mostly in the form of payroll. The rest leaves the state, flowing to out-of-state suppliers or back to corporate headquarters. The survey also found that the local businesses contributed more to charity than national chains.*

<http://www.ilsr.org/wp-content/uploads/files/midcoaststudy.pdf>

Economic Impact Analysis: A Case Study – by Civic Economics, December 2002.

*This study examines the local economic impact of two locally owned businesses in Austin, Texas—Waterloo Records and Book People—and compares this with the economic return the community would receive from a Borders Books store. The study finds that spending \$100 at Borders creates \$13 worth of local economic activity, while spending \$100 at the local stores generates \$45 in local economic activity. The difference is attributed to three factors: a higher local payroll at the independent stores (because, unlike Borders, none of their operations are carried out at an out-of-town headquarters office); the local stores purchased more goods and services locally; and the local stores retained a much larger share of their profits within the local economy.*

<http://civiceconomics.com/app/download/5841748704/Lamar+Retail+Analysis.pdf>



**Attachment D: Paul Wermer's email & proposal**  
**Hearing Date: July 25, 2013**

**CASE NO. 2013.0936U**  
**Formula Retail Controls**

From: Paul Wermer [mailto:pw-sc\_paul@sonic.net]  
Sent: Monday, July 15, 2013 12:35 PM  
To: Rodgers, AnMarie; Michael Hamman; Kristine Enea  
Cc: paul@pw-sc.com; Hayward, Sophie  
Subject: Re: Comment Re Formula Retail legislation

AnMarie & Sophie,

Sorry about the delayed response - but I wanted to reconfirm my understanding before I forwarded.

1) From the India Basin area:  
Kristine Enea, kristine@indiabasin.org  
Michael Hamman, mhamman@igc.org

There is a strong interest in being able to encourage some Formula Retail - while restricting others. For example, a Starbucks would add little value, while a grocery store such as a Mollie Stones or a Safeway would be welcome.

From District 4: Supervisor Tang does not support citywide changes to the definition of Formula Retail because her district needs some services that might be provided by Formula Retail (Discussion at last week's Neighborhood Network meeting). I believe she does not understand the distinction between definitions and zoning controls, but the point remains - The Supervisor would like to be able to permit certain FR in certain NCD's to meet community needs - and fears (Justly, I believe) that the CU process is a disincentive.

The current FR code mandates CU for all FR (except for districts where it is NP). Having FR CU as default makes great sense, but we might be able to get broader agreement if Supervisors understood that they could make certain services "P", or a P# (# = P if less than x of that category in the district)

I think that would help under-served districts recruit desired businesses, by removing the CU which makes it easier to challenge/obstruct.

To put things in perspective, my neighborhood laundromat (Fillmore by California, part of the coffee shop) just got displaced by what appears to be the sort of FR the Farrell and Breed legislation is addressing. Great benefit to the landlord, but not clear that another trendy clothing store is needed. )

Cheers,  
Paul

Paul Wermer Sustainability Consulting  
[www.pw-sc.com](http://www.pw-sc.com)



**PAUL WERMER'S PROPOSAL TO REVISE THE FORMULA RETAIL DEFINITION**

THIS IS NOT A PROPOSAL TO BAN FORMULA RETAIL. The proposal focuses revising the definition of Formula Retail to address problems observed in several Neighborhood Commercial Districts.

The Formula Retail legislation, as drafted, fails to recognize the full scope of chain activities and strategies companies use to expand. Changing business practices means the existing definition of Formula Retail is inadequate, permitting stores that clearly are Formula Retail in practice or intent to enter San Francisco NCD's without CU hearings. This disadvantages some chain retailers relative to others, and encourages displacement of neighborhood serving businesses and smaller local businesses.

Planning code Sections 703.3 and Sec 303(i) should be amended to address the gaps that permit Formula Retail-like entities to escape appropriate review. The revisions should address the observed current situations, which include:

- a. The parent of an existing FR brand starting a new line that is intended to become FR: e.g. Gap with Athleta, Starbucks with Evolution Fresh, Jack Spade, etc.
- b. The many existing branded outlets in department stores (esp with clothing and cosmetics -e.g. Makeup Forever, NARS, GANT, Joie) that are branching out into their own branded FR line, starting one of the first stores in SF.
- c. The foreign chains moving to the US - e.g. Cotelac, Jurlique, Aesop – or US chains with a global presence, even if there are fewer than 11 stores in the US – e.g. Rag & bone.
- d. Internet stores that are moving to a brick and mortar presence (e.g. ShadeShop, Prana)

All of these are clearly FR; the first store or 2 goes into SF. They have all the issues of existing FR – Not only the visual issues addressed in Sec 703.3(a)(8), but also displacing local opportunity, etc. Furthermore, these FR stores target existing, successful NCDs and displacing retail tenants that established the NCD character, rather than investing in NCDs in underserved areas.

The Formula Retail definition's revision should include as FR:

- 1) Any new enterprise from a company that already has a FR line (e.g., owned by Gap, Starbucks, L'Oreal)
- 2) Any international operation that has FR-like operations in more than 10 locations (e.g. Cotelac, Oskia, Aesop)
- 3) Any brand that has branded outlets embedded in more than 10 department stores (e.g. Joie, Gant) - this would capture a lot of clothing and cosmetics retailers, many of which are subsidiaries of larger companies - LVMH, L'Oreal, etc.



4) Any Internet retailer where there is a reasonable expectation that the intent is to establish a formula retail presence.

The revised legislation should also clearly establish an appropriate comparison for determining the number of stores. At present, the Planning Department looks at existing stores when a permit is filed in San Francisco - so that even though when the store opens in San Francisco there may be more than 12 stores operating elsewhere. The Planning Department should be directed to look at stores AND existing permits and leases in determining Formula Retail status.



2008	<ul style="list-style-type: none"> <li>Section 803.6 was amended to prohibit Formula Retail Uses within the Chinatown Visitor Retail Zoning District and require Conditional Use Authorization for these uses within the Chinatown Community Business and Residential Neighborhood Zoning Districts [Ord. 269-08] and the Mixed Use – General (MUG) and Urban Mixed Use (UMU) Zoning Districts [Ord. 298-08].</li> <li>Planning Code was amended to principally permit Formula Retail in Potrero Center Mixed Use SUD which covers a suburban style mall [Ord. 304-08].</li> </ul>
2009	<ul style="list-style-type: none"> <li>Planning Code was amended to include Conditional Use Authorization requirements for Formula Retail for all RC-3 and RC-4 zoned parcels along Van Ness Avenue from Golden Gate Avenue to Chestnut Street [Ord. 0301-08].</li> </ul>
2010	<ul style="list-style-type: none"> <li>Planning Code was amended to include Conditional Use Authorization for Formula Retail greater than 10,000 square feet in the Bayshore Boulevard Home Improvement SUD [Ord. 313-10].</li> </ul>
2011	<ul style="list-style-type: none"> <li>The Upper Fillmore district controls were changed [Ord. No 56-11] such that any type of restaurant that was also a formula retail use would be prohibited.</li> <li>The Planning Code was amended to extend Formula Retail Use Controls, including Conditional Use Authorization requirements, to the RC-3, RC-4, RH, RM, RTO, and RED Zoning Districts [Ord. 63-11].</li> </ul>
2012	<ul style="list-style-type: none"> <li>The Planning Code was amended to include 'Financial Services' as a use type to be subject to Retail Formula Controls [Ord. 0106-12]. The Restaurant Reform Ordinance [Ord. No. 75-12,]</li> </ul>
2013	<ul style="list-style-type: none"> <li>The Restaurant Reform Ordinance [Ord. No. 75-12,] changed prohibitions of "fast food restaurants" to a prohibition on the combination of formula retail and either limited restaurants or restaurants. (This was the first time that specific types of formula retail uses were regulated differently than other formula retail uses).</li> <li>Creation of new named neighborhood commercial districts in the Sunset [Ord. No. 175-12] created prohibitions on this same combination, as well as formula retail trade shops, in the Noriega, Irving Street, and Taraval Neighborhood Commercial Districts.</li> <li>Board of Appeals overturned the interpretation of Section 303(i)(1) to require that retail sales establishments for which a lease has been executed to be counted towards the threshold of eleven or more establishments.</li> </ul>



## Formula Retail Uses in San Francisco

- ☐ Not Permitted
- ☐ CU Required
- ☐ Certain Restrictions
- ☐ Expressly Permitted

## Attachment F: Map Illustrating Current Formula Retail Controls

2 Miles

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June 2013









## SAN FRANCISCO PLANNING DEPARTMENT

### Economic Analysis of Formula Retail

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The Planning Department is seeking proposals for an analysis of Formula Retail land use controls, including using sales tax and business data to evaluate how historic data and future projections could inform the process. The focus of the study will be the economic implications of formula retail uses for non-formula retail uses in San Francisco neighborhoods and the effects of formula retail uses on community vitality and character.

#### BACKGROUND

In 2004, the Board of Supervisors adopted San Francisco's first Formula Retail Use controls; this initial effort formed the basis for most of the City's current controls. This Ordinance established a definition of formula retail; prohibited Formula Retail in one district; required Conditional Use authorization in another; and established notification requirements in all neighborhood commercial (NC) districts. Since 2004, the Planning Code has been amended to expand Formula Retail Use controls. Notably the voters approved a ballot initiative in 2007 that established the existing requirement for Conditional Use authorization in all Neighborhood Commercial Districts. To date, there have been no less than 16 incremental changes to the City's controls of Formula Retail. Currently there are eight pending proposals which would further expand the geography of the controls, amend the definition of formula retail, or alter the criteria under which applications should be reviewed.

While there is clearly a great deal of interest in the topic, there is still much to learn about the effects of formula retail and its regulation.

#### REQUESTED SCOPE OF WORK

The Planning Department seeks a consultant to conduct an analysis of formula retail uses in San Francisco. The anticipated scope for the Formula Retail Study includes the following task categories and tasks:

##### Overall Assessments:

1. Identify, analyze and prepare case studies on San Francisco neighborhoods with existing formula retail controls vs. neighborhoods where formula retail is not regulated—both quantitative and qualitative measures of economic indicators and neighborhood character should be explored. The City recommends studying a neighborhood without Formula Retail controls such as Mid-Market; a neighborhood with a long-standing requirement for Conditional Use Authorization, for Formula Retail such as Divisadero, Lower 24<sup>th</sup> Street Mission, or Ocean Avenue; and a neighborhood with a long-standing prohibition on Formula Retail, such as Hayes Valley or North Beach. Note: The selection of neighborhoods should be done collaboratively with the City to get a contrast between neighborhoods with higher storefront vacancy rates and lower storefront vacancy rates (and/or with more or less development) and/or to compare neighborhoods with similar socioeconomic composition and scale with different controls for formula retail.

##### Economic Assessments:

1. Analyze the effect of a Conditional Use authorization on specific formula retail business types to determine which types of businesses may be deterred or inhibited from pursuing entitlements



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**Formula Retail Study**

- where a conditional use authorization is required. Discuss differences in decision-making processes for business types such as restaurants vs. standard retailers.
2. Conduct stakeholder interviews with or subcontract with retail brokers who may be able to provide data on rental rates since 2004 for both formula retail and non-formula retail uses.
  3. Evaluate market activity in specific districts for correlations between business types on turn-over rates and length of vacancies and other statistics as budget allows such as unmet demand for goods/services in formula retail v. nonformula retail businesses of the same type; cost of goods/services in formula retail v. nonformula retail businesses of the same type; infrastructure investment completed by formula vs. nonformula retail; total employment and wage differentials paid in formula vs. nonformula retail; including employment data by income or race; impact on public revenues, i.e. sales tax, property tax, payroll tax; spillover consumer spending in neighboring business near formula vs. nonformula retail; and spillover effects on residential rates in no control, CUA, and outright ban neighborhoods.
  4. Examine impact that new formula retail businesses may have on existing non-formula retail businesses; for example but without limitation, procure and examine information about existing non-formula retail businesses that may have closed or experienced reduced income in the immediate vicinity following the opening of formula retail businesses.
  5. Examine how the replacement of one formula retail business for another and how a change of ownership of formula retail businesses may affect differently the on-going economic performance of non-formula retail.
  6. Study potential differences between businesses currently defined as formula retail; e.g., is there a difference between a business with 12 outlets vs. one with 300 outlets, number of international outlets vs. number of national outlets, restaurants vs. retail, and/or are some neighborhood services, such as groceries and pharmacies, which may be provided only by formula retail businesses.
  7. Evaluate the economic performance of non-formula retail businesses that sell products and/or merchandise distributed by formula retail businesses. Compare with and assess the potential impact on non-formula retail businesses that sell similar, but not formula retail, products and/or merchandise.

**Neighborhood Character Assessments:**

1. Compare and contrast economic indicators (such as relevant fit of retail for the community, visitor spending, analysis of business mix) with neighborhood character features (such as qualitative experience, signage differences, building reuse or new construction, design compatibility and aesthetic character) in districts with formula retail controls to those without and/or districts with a high concentration of formula retail to those with a lower concentration of formula retail.
2. Forecast the qualitative impact of proposed San Francisco zoning amendments on neighborhoods subject to the existing controls as well as on neighborhoods where the controls may be extended.

**Larger Economic Assessments (may include, but not be limited to, any of the following):**

1. Provide a comparative analysis on different types of formula retail controls in comparable cities evaluating how these different controls affected the neighborhood cultural and aesthetic character and economic landscape. By way of example but without limitation, a comparative analysis would analyze formula retail controls for smaller size formula retail uses within existing neighborhoods; an economic analysis of "big box" retail uses outside of downtown areas in other cities would not necessarily be helpful for purposes of analysis within San Francisco



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**Formula Retail Study**

neighborhood commercial zoning districts. Note: If budget does not allow cover all of the potential scope requests, this item may be substituted with a literature search or deleted completely.

2. Research potential for multiplier effects in local economy, due to formula retail, as compared to non-formula retail.
3. Assess impact on local markets, evaluate formula retail effects such as increased selection, lower price, anchor tenant impacts, predatory pricing, and manipulation of suppliers.
4. Examine potential public revenues and costs of public services and facilities resulting from the construction and operation of formula retail.

### **PROPOSAL SUBMISSION**

#### **BUDGET**

Firms should submit a proposed budget not to exceed \$40,000 relative to the scope proposed above.

#### **DEPARTMENT RESOURCES**

The Planning Department can make the Dunn & Bradstreet Business database available from 2004 to current times. The Office of Workforce and Economic Development can provide a list of local retailers and CUA petitioners who 1) do not qualify as formula retail, 2) qualify as formula retail with few outlets (<20) and 3) large retailers (>20outlets ). Further recent work and business inventories by both Departments can be made available from the recent Invest In Neighborhoods effort.

#### **CONTRACT REQUIREMENTS**

The Planning Department will be using the City Controller's Office pre-approved economic consultant pool for this contract<sup>1</sup>. The Contracting pool has assigned to it a 5% Local Business Enterprise (LBE) subcontracting requirement. Responses to this bid will need to specify a proposal for complying with the LBE requirement.

#### **MINIMUM QUALIFICATIONS**

Firms must be pre-qualified under San Francisco Controller's Office Pre-Qualified pool with at least two-year experience in land use economics/real estate market analysis.

---

<sup>1</sup> <http://famis.sfgov.org/economic2012/>







Small Business: Shaping Our Communities

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week



May 13-18, 2013



Post Event Report



## Overview

Approximately 4,000 Small Business and Community leaders from across the Bay Area joined together from May 13-18, 2013 to celebrate the 9th Annual San Francisco Small Business Week. Together with a wide range of partners and sponsors we achieved our goals of honoring, educating, connecting and inspiring Small Business owners in our community.

San Francisco Small Business Week is hosted by a volunteer committee led by our honorary hosts, San Francisco Mayor Edwin Lee, U.S. SBA District Director Mark Quinn and Wells Fargo Regional President Michael Billeci and co-chairs, Leslie Milloy, Senior Vice President, San Francisco Chamber of Commerce and Steve Adams, President, San Francisco Small Business Commission. We would like to thank all of our volunteer committee members and all of the organizations whose support make this event possible year after year.

We are 100% supported through sponsorship. We are very grateful to all of our sponsors for their investment and leadership, particularly Wells Fargo for their continued leadership as the presenting sponsor for the 9th year.

The continued growth and level of interest generated for this year's San Francisco Small Business Week's events continue to illustrate the commitment to prosperity and pride in San Francisco that small businesses show everyday. The 2013 San Francisco Small Business Week met or exceeded all of our goals and allowed us to forge many new partnerships with community groups across the spectrum.

In conclusion, we're excited to report that San Francisco Small Business Week 2013 was a success! Once again we brought together more than 4,000 attendees to learn, connect, honor the impact of small business and be inspired to seek creative ways to partner for prosperity.

We thank you for your continued support and look forward to joining together to celebrate the 10th Anniversary of San Francisco Small Business Week in 2014!





## **San Francisco Small Business Week Committee**

The San Francisco Small Business Week Executive Committee is an all-volunteer committee who oversaw all events. The committee is made up of the following individuals & organizations:

### **Honorary Hosts**

- Mayor Edwin Lee, City and County of San Francisco
- Mark Quinn, District Director, U.S. Small Business Administration
- Michael Billeci, Regional President, Wells Fargo Bank

### **Committee Co-Chairs**

- Leslie Milloy, Senior Vice President, San Francisco Chamber of Commerce, Co-Chair
- Steve Adams, President, Small Business Commission, Co-Chair

### **Committee Members**

- Regina Dick-Endrizzi, Executive Director, Office of Small Business
- Eric GoForth, Golden Gate Business Association
- Jane Gong, Office of Small Business
- Alec Hughes, Wells Fargo Bank
- Katy Johnson, Wells Fargo Bank
- Henry Karnilowicz, San Francisco Council of District Merchants Associations
- Hannah Kelley-Bell, Small Business Administration
- Bridgette LeBlanc, San Francisco African American Chamber of Commerce
- Jim Maxwell, San Francisco Council of District Merchants Associations
- Allison Schaefer, Straus Events
- Marlow Schindler, Small Business Administration
- Melanie Seltzer, San Francisco Chamber of Commerce
- Adam Straus, Straus Events
- Tong Qin, Small Business Administration
- Edith Yeung, SF Entrepreneur



We extend our deepest gratitude to all of our sponsors for making this year possible.

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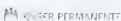
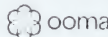
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Talk 910

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**Flavors of San Francisco, Metreon**  
**Monday, May 13, 2013**

A sold-out crowd of 1300 attendees kicked off San Francisco Small Business Week 2013 with a bang at the gala kick-off event. It was a fun-filled celebration in the City View Room at the Metreon.

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**Government Resources**

California State Board of Equalization  
 Contract Monitoring Division  
 Department of Public Works  
 Entertainment Commission  
 Governor's Office of Business and Economic Development (GoBiz)  
 JobsNOW! - Human Services Agency  
 Office of Contract Administration  
 Office of Economic and Workforce Development  
 San Francisco Department of the Environment  
 San Francisco Office of Labor Standards Enforcement  
 San Francisco Public Utilities Commission



**San Francisco Small Business Week Host Organizations**

Golden Gate Business Association  
 San Francisco Office of Small Business  
 Renaissance Entrepreneurship Center  
 San Francisco African American Chamber of Commerce  
 San Francisco Chamber of Commerce  
 Small Business Network  
 San Francisco Council of District Merchants Associations  
 Small Business Administration

**Nonprofit Small Business Resource Providers**

Bar Association of San Francisco  
 Bay Area Small Business Finance  
 Hispanic Chambers of Commerce of San Francisco  
 Inner City Advisors  
 Kiva Zip  
 Legal Services for Entrepreneurs, Lawyers' Committee for Civil Rights  
 Mission Economic Development Agency  
 Northeast Community Federal Credit Union  
 Pacific Community Ventures  
 San Francisco Community Board Program  
 San Francisco LGBT Community Center  
 San Francisco Small Business Development Center  
 SCORE San Francisco  
 sf.citi  
 Southeast Asian Community Center  
 The San Francisco Community Business Law Center  
 Urban Solutions  
 Women's Initiative For Self Employment  
 Working Solutions



### Merchant Associations

Merchants of Upper Market & Castro - MUMC  
Mission Creek Merchants Association  
Mission Merchants Association  
Potrero Dogpatch Merchants Association  
San Francisco Locally Owned Merchants  
Alliance - SFLOMA



### Food and Beverage Entrepreneurs

1300 on Fillmore  
18 Rabbits  
49 Square Catering  
A Spoonful of Sugar  
America's Best Coffee Roasting Company  
Aperto Restaurant  
Aroma Buena Catering  
Asiento  
Barefoot Wine & Bubbly  
Bodega del Sur Winery  
Café Razzi  
Cardella Winery  
Cater2U  
Creative Ideas Catering  
Drunken Dragon  
El Porteno Empanadas  
Gelateria Naia  
Goat Hill Pizza  
Hayward Farmhouse  
Ike's Place  
King Knish  
Kingdom Cake  
Lagunitas Brewing Co.  
Let's Eat BBQ & More!  
Madame Tam Bistro  
Magnolia Gastropub & Brewery  
Mead & Mead's  
Myriad Gastro Pub  
Pica Pica  
Pinkie's Bakery  
Rockin' Crawfish  
Saafara West African Herbal Teas  
Samovar Tea Lounge  
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Socola Chocolatier  
Speakeasy Ales & Lagers  
Spicy Vines, LLC  
Super Duper Burgers  
TRES Tequila Lounge & Mexican Kitchen  
Urban Bread Café



**San Francisco Small Business Awards**

Ceremony City Club Penthouse  
May 15, 2013

Mayor Edwin Lee, Mark Quinn, District Director, U.S. Small Business Administration and Wells Fargo Regional President Michael Billeci, Steven Falk, President & CEO, San Francisco Chamber of Commerce and the San Francisco Small Business Week committee welcomed a group of community and business leaders to an invitation-only reception and awards ceremony.



**Attended by:** Mayor Edwin Lee, David Chiu; President, Board of Supervisors; Katy Tang's Aides: Ashley Summers, Dyanna Quizon; Monetta White, Small Biz Commission VP; William Ortiz-Cartagena, Small Biz Commission; Irene Yee Riley, Small Biz Commission; Mark Dwight, Small Biz Commission; Steven Lee, Entertainment Commission; Donna Levitt, OLSE; Ed Reiskin, Candace Sue, Deanna Desedas, SFMTA; Bill Strawn, DBI; Elizabeth Echols, Former Regional Administrator; Small Business Administration; June Cabatu, Kay Conteras of Senator Feinstein's Office; Alex Lazar of Congresswoman Pelosi's Office; Jennifer Tang of Senator Boxer's Office

**Award Winners:**

US Small Business Administration Small Business of the Year:  
Tom Frainier, Semifreddi's

San Francisco Economic Development Alliance (SFEDA) Micro Enterprise Award:  
Koji Kanematsu, Onigilly

**San Francisco Mayor and Board of Supervisors  
Small Business Award Recognition**

- Mayor Edwin Lee: Devils Teeth Baking Company
- District 1: Supervisor Eric Mar's Honoree: Arguello Market
- District 2: Supervisor Mark Farrell's Honoree: Poetica Art and Antiques
- District 3: Supervisor David Chiu's Honoree: Four Fifty Sutter Pharmacy
- District 4: Supervisor Katy Tang's Honoree: Rolling Out
- District 5: Supervisor London Breed's Honoree: The Independent
- District 6: Supervisor Jane Kim's Honoree: 1:AM Gallery
- District 7: Supervisor Normal Yee Honoree: JoJo's Café
- District 8: Supervisor Scott Wiener's Honorees: Beaux, Midnight Sun, Q Bar, The Edge
- District 9: Supervisor David Campos's Honoree: Heath Ceramics
- District 10: Supervisor Malia Cohen's Honoree: Gilberth's Rotisserie & Grill
- District 11: Supervisor John Avalos's Honoree: Vali of Dolls Hair and Nail



**Small Business Conference**

The highlight of San Francisco Small Business Week is the Small Business Conference. This event features 50 free workshops that were attended by more than 1800 small business owners on a wide range of topics and includes an Expo that features resources and small business solutions.

**2013 Small Business Conference Classes**

1. Best Practices for Improving Web Traffic and Website Conversions
2. How to Become a Certified Local and State Government Vendor
3. Smart Hiring: Getting the Right People, in the Right Seats, Doing the Right Things
4. Benefits of Running Your Business in the Cloud
5. B Corps: Measure What Matters
6. Facebook Case Study: Zero to 100,000 Fans
7. How to Create the Perfect Elevator Pitch: A Hands-on Workshop for Challenger Brands
8. Local Manufacturing 101
9. Get Started with Email Marketing in the Social Age
10. Doing Business in China
11. Financing Options for Startup Businesses (0-3 Years)
12. How to Grow Your Business with SBA Real Estate Financing
13. Be The Boss: Franchise Ownership Options and Resources
14. How to Build a Fearless Brand
15. Steps to Being an Effective Federal Government Supplier
16. How to Make a Living Making Food
17. Master Your Finances & Grow Your Business - Anytime, Anywhere
18. Take Control and Maintain Your Small Business Computing Systems
19. Smart Out Loud\* Business Building
20. Mobile Success Stories: Making Technology Work for You
21. Insurance Solutions for Your Small Business
22. Business Planning 101+
23. Manage Your Email Effectively
24. Finding and Keeping Customers in the Mobile Smartphone Age
25. International Markets: Tools and Resources to Grow Your Business Overseas
26. Networking 101/Networking Success for Busy Professionals
27. ADA Compliance for Small Businesses: The Ins and Outs of all ADA Requirements and How to Prevent a "Drive-By" Lawsuit
28. Connecting Tourism to the Neighborhoods
29. Growing Pains: Tales of Three San Francisco Small Businesses
30. Identifying and Managing Business Risks
31. Marketing & PR: Strategies, Plans, Tactics
32. Financial Strategies for Your Small Business and Access to Capital
33. Marketing Your Business to Government Contracts
34. Twitter, Facebook, Pinterest & LinkedIn for Small Business Owners



35. Online Advertising for Small Businesses: Learn What Works
36. A Simple Guide to Running Your Business by the Numbers
37. Competing With The Big Boys: Finding Skilled Talent Without Breaking The Bank
38. Health Care Reform: What the Exchanges Mean for Your Business
39. Boost Your Bottom Line Through Efficiency and Green Practices
40. How to Start a Mobile Food Venture
41. Leverage Your Business Opportunities Through National Certification
42. Business Law for Entrepreneurs
43. Online Tools for a Productive Business Workflow
44. The Basics of Importing and Exporting
45. Alternative Funding Toolkit
46. Tales from the Trenches: The Truth About Running a Small Business
47. Direct Marketing Integration for Small Businesses
48. Create a Quick and Easy Marketing Plan Using Email and Social Media
49. 10 Ways to Act Like a Big Business with a Small Business Budget
50. Business Continuity: Lessons Learned from Superstorm Sandy







Visibility

**Social Media Campaign**

- SFSBW Blog had 29 Posts with created content
- Facebook had 36 posts that generated 854 “likes”
- Twitter: had 170 tweets and retweets and ended the campaign with 831 followers

**San Francisco Small Business Week Printed Materials Distributed**

- Mini-Guides: 20,000 Tri-Fold Guides
- Program: 2,500 Programs
- Flavors of San Francisco Passport: 1,500 Passports
- Small Business Conference Guide: 2,500 Guides

**Advertising**

- Muni Bus Ads: (15) Kings, (15) Queens & (15) Tails
- San Francisco Chronicle: (2) Full Page Ads (1) Quarter Page Ad
- San Francisco Business Times: (1) Full Page Ad
- Examiner: (1) Half Page Ad
- Sing Tao: (1) Half Page Ad
- El Mensajero: (1) Half Page Ad

**San Francisco Chronicle**

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**星島日報**  
SING TAO DAILY

**El Mensajero**



### **The Wisdom Blog**

On our Wisdom Blog, posted 29 blog posts, including:

- 12 wisdom interviews with Small Business Owners
- 7 wisdom interviews with Sponsors
- 4 wisdom interviews with Experts
- 4 posts from the SFSBW committee
- 3 wisdom nugget posts
- 6 highlight posts from SFSBW 2013

### **Some Quotes from the Wisdom Blog:**

*Why Do Communities Need Small Business*

"Small business is a big part of the soul of a city. Small businesses enjoy both a direct connection to the community and the intimacy of scale to be able to process and feed off of that connection. Small businesses are also much more elastic and far less restrained, and are therefore more apt to reflect and serve the community in a colorful and genuine way."

**Christian Noto, *Split Pea Seduction/Jersey Tomatoes***

"Small businesses define the character of our neighborhoods in San Francisco. The appropriate mix of small businesses enriches and energizes a particular area, which attracts tourism and inspires residents to shop locally. Small businesses invest in their communities by hiring locally, engaging in local politics, donating to nonprofits, building parklets and other community spaces, and doing all the critical things that make our neighborhoods more enjoyable. Small businesses are the advocates of local development and define the flavor and culture of this city – with "pop-ups", food trucks, trunk shows and an involvement in the local areas where they live, work and play."

**Paul Terry, *Paul Terry & Associates***

"Small businesses hire local employees which has a ripple effect throughout the community. San Francisco businesses are often great at sponsoring or hosting local events and participating in neighborhood celebrations. It is the variety of unique small businesses that make San Francisco such a popular travel destination for Americans and international tourists. The different businesses on display provide a different character to each of San Francisco's original neighborhoods. But local businesses don't exist because of the tourists; they exist because San Franciscans appreciate small business and show their support by shopping locally whenever possible. San Francisco small business is for the people and by the people."

**Mark Quinn, *U.S. Small Business Administration***

Find more at [www.sfsmallbusinessweek.com/blog](http://www.sfsmallbusinessweek.com/blog)



# San Francisco small business week

## Advertising Campaign

San Francisco Chronicle

Small Business: Shaping Our Communities

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**small business week**

May 13-18, 2013

As one of nearly 80,000 small businesses and start-ups in San Francisco, your business has a tremendous impact on your community and the city's economic vitality. Together, we create an innovative and vibrant San Francisco. Know that your business is an important part of your community and neighborhood, and without it, San Francisco would just not be the same.

[www.sfsmallbusinessweek.com](http://www.sfsmallbusinessweek.com)

We hope that during Small Business Week, you'll make the kind of connections you need to grow your network and take your business to the next level!

[sfsmallbusinessweek.com](http://sfsmallbusinessweek.com)

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San Francisco Business Times

Small Business: Shaping Our Communities

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**Muni:** The local connection to local business.



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**Muni: The local connection to local business.**  
For food, retail, healthcare, and all other local business information, visit [www.muni.com](http://www.muni.com) or contact 212-219-6600. Local changes to 212-219-6600. [www.muni.com](http://www.muni.com)





El Menesajero

Small Business: Shaping Our Communities  
Las empresas pequeñas: dan forma a nuestras comunidades

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Potecinado por Wells Fargo  
semana de la pequeña empresa

Mayo 13-18, 2013  
www.SFSmallBusinessWeek.com

**ALICIA'S**  
Alicia's Tamales Los Mayas  
Alicia Jimenez

Small Business: Shaping Our Communities  
Las empresas pequeñas: dan forma a nuestras comunidades

San Francisco Examiner

Small Business: Shaping Our Communities

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**Pinkie's Baker**  
Cheryl Burr

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**The Merchant of China**  
Maxine Wong

Small Business: Shaping Our Communities  
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Participant Feedback

How would you rate the overall value or usefulness of Small Business Week as a resource to support local small businesses?

	2013	2012	2011
• Excellent	42%	43.2%	38.4%
• Very Good	38.2%	41.5%	37.4%
• Good	15.4%	10.8%	18.4%
• Fair	3.2%	2%	5.1%
• Poor	0%	2%	0.5%

Who Attends San Francisco Small Business Week

Do you own a small business? How long have you been in business?

	2013	2012	2011
• > 3 Years	34%	43.2%	43%
• 3-5 Years	10%	33%	11%
• 5+ Years	16%	7.6%	23%

Where is your business located?

	2013	2012	2011
• San Francisco	68%	68%	68%
• East Bay	15%	15%	15%
• Other	8%	6%	7%
• Santa Clara	3%	3%	3%
• San Mateo	4%	5%	4%
• Marin	2%	3%	2%

Annual Revenue of Business

	2013	2012	2011
• \$0 - \$50,000:	58%	51%	45.5%
• \$51,000 - \$100,000:	17%	14%	16.34%
• \$101,000 - \$250,000:	10%	10%	10%
• \$251,000 - \$500,000:	5%	7%	5%
• \$501,000 - \$1 Million:	4%	8%	6.5%
• \$1.1 Million - \$5 Million:	6%	5%	6%
• \$5.1 Million +:	4%	8%	10%

Type of Attendee

	2013	2012	2011
• Small Business Owner	65%	66%	49%
• Small Business Employee	9%	8%	12%
• Freelance/Consultant	16%	13%	22%
• Corporate Executive	4%	6%	8%
• Corporate Employee	6%	7%	9%









SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, August 12, 2013  
5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102

GOVERNMENT  
DOCUMENTS DEPT

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

SEP - 6 2013

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1. Call to order and roll call:

The meeting was called to order at 5:35 pm. Commissioners Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White were present. Commissioner Yee Riley was absent-excused.

2. General Public Comment:

General Public Comment was called for and no members of the public spoke during general public comment.

3. Presentation by the San Francisco Planning Department on Formula Retail ordinance and policies in the City of San Francisco, including but not limited to the background, history, current laws and future proposals.

Commission Secretary called this agenda item concurrently with Item 4.

Sophie Hayward, Planning Department staff, presented. Commissioners asked several questions of the presenter.

Public Comment was called for and no members of the public appeared to speak.

No action was taken.

4. Discussion and possible action to make recommendations to the Planning Department and Planning Commission on the Formula Retail Study Scope.

Commission Secretary called this agenda item concurrently with Item 3.

Sophie Hayward, Planning Department staff, presented. Commissioners asked several questions of the presenter. Several commissioners identified specific topics they would like to have analyzed during the Planning Department's formula retail study. Major topics included:

Studying how formula retail controls should treat online stores.

Analyzing impacts to existing businesses when new formula retail uses open nearby, including impacts on rents and revenues.

Developing more uniform controls across districts.

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

SF  
SFB  
8/12/13  
draft







Assessing scale and scope of impacts by different types and sizes of formula retail uses.

Differentiating between formula retail uses that originated in San Francisco versus those that grew elsewhere and now are entering San Francisco.

Identifying uses that open with one stated purpose but later expand product selection to broad categories of goods.

Factoring in not only wages but also benefits when comparing formula/non-formula retailers.

Public comment was opened:

Stephen Cornell, Small Business Advocates, commented that he believes formula retail uses need a broad, city-wide assessment. Big box formula retail sets the stage of what we are when people enter the city. He made other general comments on the topic.

Public comment was closed.

While the Commission took no formal action on this item, President Adams directed staff to summarize Commission comments and draft a letter for transmittal to the Planning Department. The letter will request the following inclusions in the study:

Consider whether FR uses have served, or could serve, as anchors for neighborhood stability and/or revitalization in certain circumstances.

Include consideration of non-wage benefits, to include healthcare and vacation/sick leave, when calculating differences between FR and non-FR employers.

Add a category of analysis to total employment, wage, and benefit differentials that reflects franchise vs. corporate store ownership, in addition to non-FR ownership.

Forecast sales tax and other revenues that may return to San Francisco as a result of limited FR development in select categories outside neighborhood commercial districts, especially in terms of large retail stores.

Assess impacts on existing non-FR businesses caused by new FR businesses opening nearby.

Assess neighborhood impacts caused by FR delivery vehicles.

Analyze variations between lease terms and durations for FR tenants in neighborhood commercial districts when considering replacement of one FR use for another.

Catalog descriptive characteristics (i.e. business type, square footage, linear frontage, off-street parking, revenues) for each FR use studied.

Determine the economic impacts on nearby businesses caused by new FR uses located in neighborhood commercial districts that possess consistent architecture, signage, lighting, and scale, when formulaic designs are not adapted to the local context.

Add a category of analysis to local economy multiplier effects that reflects franchise vs. corporate store ownership, in addition to non-FR ownership.

Identify local, national, or international examples of online-only retailers opening storefronts in settings similar to San Francisco's neighborhood commercial districts.

Determine the frequency in which FR uses expand beyond their initial product offerings into new categories of business.

Examine relationships between neighborhoods with zero or few FR establishments and their prominence in travel/shopping media coverage.

Evaluate whether FR impacts vary by the geographic origin of the businesses.

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**5. Presentation by the San Francisco Department of the Environment on mandate and non-mandate programs (commuter benefits, energy efficiency, green business programs).**

Department of Environment (SF Environment) staff Sue-Ellen Atkinson, Gabi Canez, and Anna Frankel, presented. In addition to the presentations, Ms. Atkinson requested Commission assistance to increase the number of merchant groups requesting presentations from SF Environment.

President Adams commented on how the commuter benefits program at his company has grown to a well-used program. The Executive Director stated she is aware of many small businesses with as few as four or five employees that offer commuter benefits and find it economical to administer the program. Also, she would like business registration or vendor lists to indicate if businesses are green-certified. Ms. Frankel added that green-certified business lists are available on SF Environment's website.

Public Comment was called for and no members of the public appeared to speak.

This item was a discussion item only and no action was taken.

**6. Presentation on the events, activities and outcomes of Small Business Week 2013.**

Adam Straus, Straus Events, presented.

Commissioner Dooley expressed her enjoyment of the extra space during this year's Flavors of San Francisco event as it reduced the crowded feeling of last year.

President Adams commended Adam Straus on an outstanding job organizing the event and growing its attendance. Not sure how 2013 can be topped. He was pleased with how charging for the Flavors event worked by filtering out less-serious people. Mr. Straus commented that although there was a charge for entry in 2013, 75% of attendees received free access vouchers through partner organizations.

Public Comment was called for and no members of the public appeared to speak.

This item was a discussion item only and no action was taken.

**7. Approval of the February 28, 2013 meeting minutes.**

The Executive Director noted that a reference on the first page of the minutes must be updated to replace a date reference to "2012" with the correct date reference of "2013."

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes, with the date change recommended by the Executive Director.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

**8. Approval of the April 22, 2013 meeting minutes.**

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

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**9. Approval of the May 20, 2013 meeting minutes.**

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

**10. Approval of the June 10, 2013 meeting minutes.**

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

**11. Approval of the June 24, 2013 meeting minutes.**

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

**12. Approval of the July 8, 2013 meeting minutes.**

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

**13. Director's Report.**

The Director provided a written and verbal Director's report. Provide an update on the staffing of the office and the Commission Secretary/Policy Analyst position. Director announced updates to strategic plan/action plan. Office of Small Business (OSB) is working with a consultant to design surveys to assess effectiveness of Small Business Assistance Center. Director announced OSB obtained additional funding in Fiscal Year 2014 budget to conduct outreach ahead of implementation of Gross Receipts Tax, and for online small business portal development. Director indicated streamlining report is in final edits, with intended draft completion by late-August 2013. Director announced fourth California CRV can/bottle redemption (recycling) center closure with shuttering of Market Street Safeway location, and her request of Mayor's legislative director to begin State legislative efforts to reach a comprehensive solution to minimize impacts on small businesses. Director indicated Wage Theft Task Force has two

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meetings remaining, with recommendations expected from these meetings. Updated Commission on OSB's involvement in Planning Department historical preservation design guidelines and Mobile Retail program development, and provided updates on client services. Announced American Express efforts to develop "shop small" campaign that will build-up to Small Business Saturday, with San Francisco as pilot project location, and Commission actions to support the pilot. Provided notice that movie filming will occur in North Beach in late-August, and that certain Covered California (Affordable Care Act) websites recently launched. Identified legislative items the Legislation & Policy Committee and full Commission will hear at upcoming meetings.

Commissioner Ortiz-Cartagena inquired about Wage Theft Task Force activities. Commissioner O'Brien inquired about the reach of the Affordable Care Act. He was under the impression it would include more people, but seems to think that many people will remain uncovered.

**14. President's Report.**

President Adams cancelled upcoming regular meeting of Monday, August 26, 2013. He clarified that the Legislation & Policy Committee meeting on the same day would still be held.

**15. Vice-President's Report.**

Nothing to report.

**16. Commissioner Reports.**

Commissioner Dooley reported she is moving forward with an Americans with Disabilities Act (ADA) summit, and Supervisor Tang will act as a sponsor of the summit. Summit tentatively scheduled for October 2013, with pre-summit strategy meeting to occur in September.

**17. General Public Comment.**

General Public Comment was called for and no members of the public spoke during general public comment.

**18. New Business.**

Commissioner O'Brien inquired about any recent developments related to Small Business Priority Processing Pilot Program (SB4P). Executive Director indicated an update would be provided at a future meeting.

**19. Adjournment.**

Motion: Commissioner Dwight motioned to adjourn.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Yee Riley

The meeting was adjourned at 7:54 pm.

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**SMALL BUSINESS COMMISSION  
NOTICE OF MEETING CANCELLATION**

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**Monday, August 26, 2013  
2:00 P.M.  
CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco Ca 94102**

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**SMALL BUSINESS COMMISSIONERS,**  
Stephen Adams, President  
Monetta White, Vice-President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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**The Small Business Commission meeting of August 26, 2013, is cancelled.**

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SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, September 9, 2013  
5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

1. Call to order and roll call:

2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

3. **Approval of the May 6, 2013 meeting minutes: Explanatory Documents:** Draft May 6, 2013 minutes. (Action Item).

4. **Approval of the July 22, 2013 meeting minutes: Explanatory Documents:** Draft July 22, 2013 minutes. (Action Item).

5. **Approval of the August 12, 2013 meeting minutes: Explanatory Documents:** Draft August 12, 2013 minutes. (Action Item).

6. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130789 [Health Code—Licensing and Regulation of Massage Establishments and Practitioners]** Ordinance amending the Health Code to 1) require massage practitioners licensed by San Francisco to wear photo identification cards when working; 2) deny Massage Establishment permits to applicants convicted of specified crimes; 3) provide an appeal process for persons denied a Massage Establishment permit; 4) establish health and safety requirements for all Massage Establishments; 5) establish penalties for violations of Article 29 governing Massage Practitioners and Massage Establishments; 6) require notice of violations be sent to the owner(s) of property where Massage Establishments are located; and making environmental findings. Explanatory Documents: BOS File No. 130789 Legislation; BOS File No. 130789 Legislative Digest. Presentation by Dyanna Quizon, Legislative Aide to Supervisor Katy Tang. (Discussion and Possible Action Item)

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7. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130784 [Chiu Business and Tax Regulations Code - Administrative Changes]** Ordinance amending the Business and Tax Regulations Code by amending the Common Administrative Provisions to require monthly installment payments rather than prepayments of hotel and parking taxes, eliminate the requirement for annual parking tax bond renewal, provide a due date for business registration fees, exclude penalties from the calculation of interest on tax determinations, add a substantial underreporting penalty for failure to file a return when the tax liability exceeds \$5,000, and change the penalty for failure to register or update a registration, making misstatements in registration, failure to allow inspection of or to produce records, and failure to file a return; amending the Tax on Occupancy of Parking Space in Parking Stations to eliminate the pre-payment Revenue Control Equipment certification; amending Business Registration provisions to require a copy of the business registration certificate rather than a business tax registration tag be displayed on company vehicles, and to eliminate the Tax Collector's authority to suspend a business registration certificate; amending the Payroll Expense Tax Ordinance to provide that interest applies to unpaid penalties but not unpaid fees and interest, and to change the date that the Office of Economic and Workforce Development must provide the Tax Collector a list of persons eligible to claim the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion; and amending Parking Stations, Revenue Control Equipment to specify the date the Revenue Control Equipment Compliance Fee is due. Explanatory Documents: BOS File No. 130784 Legislation; BOS File No. 130784 Legislative Digest. Presentation by Greg Kato, Policy and Legislative Manager, Office of the Treasurer & Tax Collector. (Discussion and Possible Action Item)
8. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and make announcements regarding small business activities. (Discussion Item).
9. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
10. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
13. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
14. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Christian Murdock at (415) 554-6407 to make arrangements for pick up or review.

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## Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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[Health Code - Licensing and Regulation of Massage Establishments and Practitioners]

**Ordinance amending the Health Code to require massage practitioners licensed by San Francisco to wear photo identification cards when working; deny Massage Establishment permits to applicants convicted of specified crimes; to provide an appeal process for persons denied a Massage Establishment permit; to establish health and safety requirements for all Massage Establishments; to establish penalties for violations of Article 29 governing Massage Practitioners and Massage Establishments; to require notice of violations be sent to the owner(s) of property where Massage Establishments are located; and making environmental findings.**

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
**Additions to Codes** are in single-underline italics Times New Roman font.  
**Deletions to Codes** are in ~~striketrough-italics Times New Roman font~~.  
**Board amendment additions** are in double-underlined Arial font.  
**Board amendment deletions** are in ~~striketrough Arial font~~.  
**Asterisks ( \* \* \* )** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Environmental Findings

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_ and is incorporated herein by reference.

Section 2. The Health Code is hereby amended by revising Section(s) 1905, 1909, 1910, 1928, to read as follows:



1           **SEC. ~~190529.6~~. IDENTIFICATION CARD FOR PRACTITIONERS NOT CERTIFIED BY**  
2     **THE STATE.**

3           The Director shall provide all massage practitioners *granted a permit, who are not*  
4     *certified as a massage practitioner or therapist by the State of California pursuant to the California*  
5     *Business and Professions Code, granted a permit* with an *photo* identification card. *Massage*  
6     *practitioners must wear their identification card at all times when they are working at any massage*  
7     *establishment or solo practitioner massage establishment.* The identification card must be  
8     presented to any City health inspector *or law enforcement officer* upon request at all times  
9     during the regular business hours of any massage establishment or solo practitioner massage  
10    establishment.

11           **SEC. ~~190929.11~~. APPLICATION FOR MASSAGE ESTABLISHMENT, SOLO**  
12     **PRACTITIONER MASSAGE ESTABLISHMENT, OR OUTCALL MASSAGE SERVICE**  
13     **PERMIT FOR PRACTITIONERS NOT CERTIFIED BY THE STATE.**

14           (a) *Unless certified as a massage practitioner or therapist by the State of California*  
15     *pursuant to the California Business and Professions Code, Every* applicant for a massage  
16     establishment, solo practitioner massage establishment, or outcall massage service permit  
17     shall file an application with the Director upon a form provided by the Director and pay a non-  
18     refundable application fee, as set forth in Section ~~192729.26~~.

19           (b) The application shall set forth, under penalty of perjury, the following:  
20               (1) The exact nature of the services to be rendered;  
21               (2) The address of the proposed place of business and facilities thereof;  
22               (3) The number of individuals to be employed by the business, and, in the  
23     case of a solo massage practitioner establishment, the names of any massage practitioners  
24     who shall operate under that permit;  
25               (4) The name, residence address, and date of birth of each applicant;



1 (5) Any history of previous massage permits or licenses in San Francisco or  
2 elsewhere, including whether any such permit or license has been revoked and the reasons  
3 therefor, for each applicant; and

4 (6) All felony or misdemeanor convictions for the applicant within the preceding  
5 five years, including, but not limited to, felony sexual assault; sexual battery (Cal. Penal Code 243.4),  
6 rape (Cal. Penal Code 261); statutory rape (Cal. Penal Code 261.5); prostitution offenses related to  
7 pimping (Cal. Penal Code 266 and applicable subsections); sex crimes for which registration is  
8 required under the Sex Offender Registration Act (Cal Penal Code 290); loitering for lewd or  
9 lascivious purposes (Cal. Penal Code 647(d), 647(h)); and human trafficking (Cal. Penal Code 236.1).

10 (c) The Director is hereby authorized to require in the application any other  
11 information including, but not limited to, information related to the health, hygiene, and  
12 sanitation of the premises and any information necessary to confirm the accuracy of the  
13 matters set forth in the application.

14 (d) If an applicant for a massage establishment or outcall massage service permit  
15 is a corporation, the name of the corporation shall be set forth exactly as shown in its articles  
16 of incorporation together with the names and residence addresses of each of the officers,  
17 directors, and each stockholder holding more than 10 percent of the stock of the corporation.  
18 If the application is a partnership, the application shall set forth the name and the residence  
19 address of each of the partners, including limited partners. If one or more of the partners is a  
20 corporation, the provisions of this Section pertaining to corporate applicants applies. The  
21 same permit and criminal history information required of individual applicants, set forth in  
22 subsection (b)(6), above, shall be provided for each officer, director, and stockholder holding  
23 more than 10 percent of the stock of the corporation, or for each partner, including limited  
24 partners.  
25



1 (e) In addition to the information required under subsections (b) and (c), an  
2 applicant for a solo practitioner massage establishment permit shall provide proof that he or  
3 she holds a current, valid advanced massage practitioner permit issued by the Director under  
4 Section ~~1901-29.2~~.

5 (f) Applicants shall also submit proof of compliance with any applicable Planning Code  
6 requirements regarding notice and posting of the proposed establishment.

7 (g) An advanced massage practitioner holding a solo practitioner massage  
8 establishment permit shall not be required to pay any additional permit fee for an outcall  
9 massage service permit.

10 (h) Within 14 days following a hearing, or, if no hearing is held, within 60 business days  
11 following receipt of a completed application for a permit for a massage establishment that does not  
12 solely employ practitioners certified as a massage practitioner or therapist by the State of California  
13 pursuant to the California Business and Professions Code the Director shall either issue the permit or  
14 mail a written statement of his or her reasons for denial thereof to the applicant. If the Director takes  
15 neither action, the permit shall be deemed issued.

16 (i) No massage establishment permit shall be issued if the Director finds:

17 (1) The applicant has provided materially false documents or testimony; or

18 (2) The applicant has not complied fully with the provisions of this Article; or

19 (3) Within five years immediately prior to the date of application, the applicant has had any  
20 license or permit related to the operation of a massage establishment revoked; or

21 (4) The applicant has been convicted of any of the following offenses or convicted of an offense  
22 outside the State of California that would have constituted any of the following offenses if committed  
23 within the State of California, within the last five years: felony sexual assault; sexual battery (Cal.  
24 Penal Code 243.4), rape (Cal. Penal Code 261); statutory rape (Cal. Penal Code 261.5); prostitution  
25 offenses related to pimping (Cal. Penal Code 266 and applicable subsections); sex crimes for which



1 registration is required under the Sex Offender Registration Act (Cal Penal Code 290); loitering for  
2 lewd or lascivious purposes (Cal. Penal Code 647(d), 647(h)); and human trafficking (Cal. Penal Code  
3 236.1).

4 (j) If an application for a massage practitioner permit is denied, within 30 days of the date  
5 of receipt of the notice of denial, the applicant may appeal the decision by notifying the Director in  
6 writing. The notice shall set forth in detail the ground or grounds for the appeal. Within 30 days of  
7 receipt of the notice of appeal, the Director shall conduct a hearing to consider the appeal. At least 10  
8 days prior to the hearing, the Director shall notify the applicant of the time and place of the hearing.  
9 The Director shall oversee the hearing, provide the applicant an opportunity to speak at the hearing,  
10 and issue a ruling within 30 days of its conclusion. The Director's ruling shall be final.

11 **SEC. ~~191029.12.~~ OPERATING REQUIREMENTS FOR MASSAGE**  
12 **ESTABLISHMENTS.**

13 No permit to conduct a massage establishment shall be issued unless an inspection by the  
14 Director reveals that the All massage establishments must comply with each of the following  
15 health and safety requirements:

16 (a) Toilet rooms shall be provided for patrons in convenient locations.

17 (1) Construction of rooms used for toilets, as well as rooms used for, tubs, steam  
18 baths, and showers shall be made waterproof with hard nonabsorbent materials which are  
19 easily cleaned and shall be installed in accordance with the San Francisco Building Code.

20 (2) Plumbing fixtures in toilet rooms as well as rooms used for, tubs, steam baths, and  
21 showers shall be installed in accordance with the San Francisco Plumbing Code.

22 (1) For toilet rooms, toilet room vestibules, and rooms containing bathtubs, there shall  
23 be a waterproof floor covering, which will be carried up all walls to a height of at least five inches.  
24 Floors shall be coved at the juncture of the floor and wall with a inch minimum radius coving.



1 ~~(2) Steam rooms and shower compartments shall have waterproof floors, walls, and~~  
2 ~~ceilings approved by the Director.~~

3 ~~(3) Floors of wet and dry heat rooms shall be adequately pitched to one or more floor~~  
4 ~~drains properly connected to the sewer. Dry heat rooms with wooden floors need not be provided with~~  
5 ~~pitched floors and floor drains.~~

6 ~~(4) A source of hot water must be available within the vicinity of dry and wet heat~~  
7 ~~rooms to facilitate cleaning.~~

8 ~~— (b) Toilet facilities shall be provided in convenient locations. When five or more~~  
9 ~~employees or patrons of different genders are on the premises at the same time, separate toilet facilities~~  
10 ~~shall be provided. A single toilet shall be provided for each 1.5 or more persons of the same gender on~~  
11 ~~the premises at any one time. (3) Urinals may be substituted for toilets after one toilet has been~~  
12 ~~provided.~~

13 ~~(4) Doors to toilet rooms shall open inward and be self-closing.~~

14 ~~(5) Toilet rooms shall be designated as to the gender accommodated therein.~~

15 ~~(b) Handwashing facilities shall be provided within or adjacent to the toilet rooms and~~  
16 ~~shall be equipped with an adequate supply of hot and cold running water under pressure.~~

17 ~~(1) Lavatories or wash basins with both hot and cold running water shall be installed in~~  
18 ~~either the toilet room or the vestibule. Lavatories or wash basins must have soap in a dispenser~~  
19 ~~and sanitary towels.~~

20 ~~(2) Handwashing facilities shall be readily accessible to the massage practitioner.~~

21 ~~(d<sub>c</sub>) All portions of the massage establishment shall be provided with adequate~~  
22 ~~light and ventilation by means of windows or skylights with an area of not less than of the total~~  
23 ~~floor area, or shall be provided with an approved artificial light and a mechanical operating~~  
24 ~~ventilating system. When windows or skylights are used for ventilation, at least 1/2 of the total~~  
25 ~~required window area shall be operable. To allow for adequate ventilation, cubicles, rooms, and areas~~



provided for the use of patrons not served directly by a window, skylight, or mechanical system of ventilation shall be constructed so that the height of the partitions does not exceed 75 percent of the floor-to-ceiling height of the area in which they are located.

(1) Toilet, dressing and massage rooms shall be provided with at least 108 lux (10 foot candles) of light.

(e2) All electrical equipment shall be installed in accordance with the requirements of the San Francisco Electrical Code.

(d) A room, enclosure, or designated area shall be provided where patrons can change and store their clothes.

(e) A room, enclosure, or designated area, which is separate from the toilet, massage room(s), steam room, or other common areas shared by the patrons shall be made available for each employee.

(f) Every portion of a massage establishment, including appliances and apparatus, shall be kept clean and operated in a sanitary condition.

(1) Adequate and suitable space shall be provided for storage of clean linens, including but not limited to sheets, towels, and apparel.

(2) Every massage establishment shall provide clean laundered sheets and towels and shall launder them after each use and store them in a sanitary manner.

(3) No towels or sheets shall be laundered or dried in any massage establishment unless such massage establishment has laundry facilities for such laundering and drying.

(4) The massage establishment shall provide smooth, cleanable appropriately labeled receptacles for the storage of soiled linens and disposal of paper towels.

(5) The massage establishment shall appropriately bag and dispose of soiled refuse.

(6) Every massage establishment shall thoroughly sanitize its wet and dry heat rooms, shower compartments, and toilet rooms each business day.

(7) Bathtubs shall be thoroughly cleaned and sanitized after each use.



1           (g) Any room in which a massage establishment provides massage services shall not be used  
2 for residential or sleeping purposes; provided, however, that the Director may allow such room to be  
3 used for residential or sleeping purposes if the Director finds that the health and safety of the patrons  
4 of the massage establishment will not be jeopardized.

5           (h) Massage practitioners shall not engage in lewd or lascivious acts on the premises of a  
6 massage establishment during business hours, including but not limited to: the performance of acts, or  
7 simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, copulation (oral, anal or  
8 vaginal), flagellation; the actual or simulated caressing or fondling by one adult human being of the  
9 breast, anus or genitals of another adult human being; the actual or simulated displaying of the pubic  
10 hair, anus, vagina, penis, vulva, buttocks, areola, or any other external genitalia of the human body.

11           (i) Massage Establishment doors shall remain unlocked during business hours, except when  
12 there is no staff available to ensure security for clients and massage staff who are behind closed doors.

13           (j) No alcoholic beverages or drugs may be sold, served, used, or possessed on the  
14 premises of any massage establishment during business hours. "Alcoholic beverage" includes a  
15 mixture of one or more alcoholic beverages ingested separately or as a mixture as defined in Section  
16 23004 of the California Business and Professions Code.. "Drug" shall include all narcotics, drugs, or  
17 controlled substances as defined in Chapter 2 (commencing with Section 11053) of Division 10 of the  
18 California Health and Safety Code.

19           **SEC. 1928 29.27. VIOLATIONS AND ADMINISTRATIVE PENALTIES.**

20           (a) Any person who violates any provision of this Article or any rule or regulation  
21 adopted pursuant to Section 1926 29.25 may, after being provided notice and an opportunity to  
22 be heard, be subject to the following monetary penalties and/or permit penalties: an administrative  
23 fine not to exceed \$1,000 for the first violation of any provision of this Article or any rule or regulation  
24 in a 24-month period, \$2,500 for the second violation of any provision of this Article or any rule or  
25 regulation in a 24-month period, and \$5,000 for the third and subsequent violations of any provision of



1 ~~this Article or any rule or regulation in a 24-month period; provided, however, that the schedule of~~  
2 ~~administrative fines for a massage practitioner shall be as follows: not to exceed \$250 for the first~~  
3 ~~violation of any provision of this Article or a rule or regulation in a 24-month period, \$500 for the~~  
4 ~~second violation of any provision of this Article or any rule or regulation in a 24-month period, and~~  
5 ~~\$1,000 for the third and subsequent violations of any provision of this Article or any rule or regulation~~  
6 ~~in a 24-month period.~~

7 ~~(b)—Any permittee who knowingly employs a massage practitioner who is not in possession of~~  
8 ~~a valid permit or who allows such a massage practitioner to perform, operate, or practice in the~~  
9 ~~permittee's place of business may, after being provided notice and an opportunity to be heard, be~~  
10 ~~subject to an administrative fine not to exceed \$1,000 for the first violation in a 24-month period,~~  
11 ~~\$2,500 for the second violation in a 24-month period, and \$5,000 for the third and subsequent~~  
12 ~~violations in a 24-month period.~~

13 ~~—(c)—In determining the amount of the administrative fine, the hearing officer shall consider~~  
14 ~~any relevant circumstance presented by any of the parties, including but not limited to the nature and~~  
15 ~~seriousness of the violation, the number of violations, the persistence of the violation, the length of time~~  
16 ~~over which the violation occurred, the willfulness of the violation, and the impacts of the violation on~~  
17 ~~the community.~~

18 (1) Establishment Operating Without a Permit from the San Francisco Department  
19 of Public Health.

20 (A) Administrative fine: Up to \$1,000 per day of operating without a permit;  
21 and

22 (B) Permit penalty: Revocation, and Massage Establishment location and  
23 permittee are ineligible for a new permit from the San Francisco Department of Public Health for 180  
24 days.

25 (C) Repeat violations: Same penalties as (a)(1)(A) and (a)(1)(B).



1                   (2)     Establishment Violating Conditions of California Business and Professions  
2     Code sections 4600-4620 and all Implementing Regulations.

3                   (A)     Administrative fine: Up to \$1,000 per day of operating without a permit;  
4     and

5                   (B)     Permit Penalty: Massage Establishment location and permittee are  
6     ineligible for a permit from the San Francisco Department of Public Health for 180 days.

7                   (C)     Repeat violations: Same penalties as (a)(3)(A) and (a)(3)(B)

8                   (3)     Massage Establishment Employing Underage Practitioner.

9                   (A)     Administrative fine: None.

10                  (B)     Permit penalty: Mandatory 60-120 days suspension of Massage  
11     Establishment permit.

12                  (C)     Repeat violations: Revocation for second occurrence within 36 months of  
13     first occurrence and Massage Establishment location and permittee are ineligible for a new permit for  
14     180 days.

15                  (4)     Solicitation Charges or Convictions, as Defined by California Penal Code  
16     section 647 and/or San Francisco Police Code section 225, for anyone working at Massage  
17     Establishment.

18                  (A)     Administrative fine: \$5,000 to be paid by Massage Establishment  
19     permittee; and

20                  (B)     Permit penalty: Mandatory 60-120 days suspension of Massage  
21     Establishment permit.

22                  (C)     Repeat violations: Revocation; Permittee ineligible for a new Massage  
23     Establishment permit from the San Francisco Department of Public Health, at any location.

24                  (5)     Trafficking Charges or Convictions, as Defined by California Penal Code  
25     Section 236.1, for anyone working at Massage Establishment.



1 (A) Administrative fine: None.

2 (B) Permit penalty: Revocation and Permittee ineligible for a new Massage

3 Establishment permit, at any location.

4 (C) Repeat violations: Same penalty as (a)(5)(B).

5 (6) Establishment Knowingly Employing Unlicensed Practitioner.

6 (A) Administrative fine: \$1,000 to be paid by Massage Establishment  
7 permittee.

8 (B) Permit penalty: None.

9 (C) Repeat violations: 15-30 days suspension and up to \$2,500 fine for 2nd  
10 occurrence within a 24 month period; 30-60 days suspension or permit revocation, and up to \$5,000  
11 fine for 3rd occurrence within 24 months.

12 (7) Establishment Used for Residential Sleeping Purposes, Without Authorization by  
13 the City and County of San Francisco Director of Public Health.

14 (A) Administrative fine: Up to \$1,000.

15 (B) Permit penalty: None.

16 (C) Repeat violations: 15-30 days suspension and up to \$2,500 fine and for  
17 2nd occurrence within 24 months; 30-60 days suspension and up to \$5,000 fine for 3rd occurrence  
18 within 24 months.

19 (8) Presence of beds instead of massage tables.

20 (A) Administrative fine: None.

21 (B) Permit penalty: Notice of violation only.

22 (C) Repeat violations: Up to \$1,000 fine for 2nd occurrence within 24  
23 months; 15-30 day suspension and up to \$2,500 fine and for 3rd occurrence within 24 months.

24 (9) Massage Practitioner Wearing Improper Attire.



1                   (A) Administrative fine: Up to \$250 to be paid by practitioner and up to \$250  
2 per person to be paid by Massage Establishment permittee; and,

3                   (B) Permit penalty: Notice of violation.

4                   (C) Repeat violations: Up to \$500 fine for 2nd and each subsequent  
5 occurrence and 60 day suspension for practitioner and 60 day suspension per person for Massage  
6 Establishment permit.

7                   (10) Sanitation Issues.

8                   (A) Administrative fine: None.

9                   (B) Permit penalty: Notice of violation.

10                  (C) Repeat violations: Up to \$250 fine and 60 day suspension for Massage  
11 Establishment permit.

12                  (11) Massage Establishment Operating Past 10 p.m.

13                  (A) Administrative fine: Up to \$1,000.

14                  (B) Permit penalty: None.

15                  (C) Repeat violations: 15-30 days suspension and up to \$2,500 for 2nd  
16 occurrence within 24 months; 30-60 days suspension and up to \$5,000 fine for 3rd and each  
17 subsequent occurrence within 24 months.

18                  (12) Practicing Massage Without a Permit.

19                  (A) Administrative fine: \$250 fine.

20                  (B) Permit penalty: None.

21                  (C) Repeat violations: \$500 fine for 2nd occurrence within 24 months;  
22 \$1,000 fine for 3rd and each subsequent occurrence within 24 months, and Practitioner ineligible for  
23 San Francisco Department of Public Health permit for 180 days.

24                  (13) Anyone performing sex acts on Massage Establishment premises during business  
25 hours.



1 (A) Administrative fine: \$1000 to be paid by Massage Establishment  
2 permittee, and

3 (B) Permit penalty: 60 day permit suspension of Massage Establishment  
4 permit.

5 (C) Repeat violations: Permit revocation of both practitioner and Massage  
6 Establishment permittee.

7 (14) All other violations of San Francisco Health Code Article 29, and any Massage  
8 Program Rules and Regulations.

9 (A) Administrative fine: Up to \$1,000; and

10 (B) Permit penalty: suspension or revocation.

11 (C) Repeat violations: \$2,500 for the second violation in a 24-month period;  
12 \$5,000 for the third and subsequent violations in a 24-month period; and suspension or revocation.

13 (b) Written notice of each violation shall be provided to the owner(s) of the property upon  
14 which the Massage Establishment is located.

15 (d) Administrative fines collected under this Section shall be used to support the  
16 Department of Public Health and its Health Code enforcement functions.

17 (e) Nothing in this Section shall preclude the prosecution of anyone under Health  
18 Code Section ~~1928.2~~ 29.29, the laws of the State of California or the laws of the United States  
19 of America.

20 Section 3. Effective Date. This ordinance shall become effective 30 days after  
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
23 of Supervisors overrides the Mayor's veto of the ordinance.

24 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
25 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,



1 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Health  
2 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
3 additions, and Board amendment deletions in accordance with the "Note" that appears under  
4 the official title of the ordinance.

5 Section 5. Severability. If any section, subsection, sentence, clause, phrase, or word  
6 of this ordinance is for any reason held to be invalid or unconstitutional by a decision of any  
7 court of competent jurisdiction, such decision shall not affect the validity of the remaining  
8 portions of this ordinance. The Board of Supervisors hereby declares that it would have  
9 passed this ordinance and each and every section, subsection, sentence, clause, phrase, and  
10 word not declared invalid or unconstitutional without regard to whether any other portion of  
11 this ordinance would be subsequently declared invalid or unconstitutional.

12  
13 APPROVED AS TO FORM:  
14 DENNIS J. HERRERA, City Attorney

15 By: VIRGINIA DARIO ELIZONDO  
16 Deputy City Attorney

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## LEGISLATIVE DIGEST

[Health Code—Licensing and Regulation of Massage Establishments and Practitioners]

**Ordinance amending the Health Code to 1) require massage practitioners licensed by San Francisco to wear photo identification cards when working; 2) deny Massage Establishment permits to applicants convicted of specified crimes; 3) provide an appeal process for persons denied a Massage Establishment permit; 4) establish health and safety requirements for all Massage Establishments; 5) establish penalties for violations of Article 29 governing Massage Practitioners and Massage Establishments; 6) require notice of violations be sent to the owner(s) of property where Massage Establishments are located; and making environmental findings.**

### Existing Law

All individuals engaged in the practice of massage must obtain a permit from the San Francisco Health Department ("Department"). The Department provides an identification card to all permitted practitioners, which must be presented to any City health inspector upon request at all times during the regular business hours of any massage establishment or solo practitioner massage establishment. The Director of Health may suspend or revoke a permit after a public hearing. Massage establishments and solo practitioners must comply with public health and safety facility and operating requirements. Every person holding a massage establishment, solo practitioner massage establishment, or outcall massage service permit issued by the Department pays an annual license fee to the Tax Collector.

### Amendments to Current Law

Currently pending before the Board is a revision of Health Code Article 29 which will bring the Health Code into compliance with state law changes that provide: 1) An individual who is certified as a massage practitioner by the State of California pursuant to the California Business and Professions Code is not required to obtain a permit from the Department. However, any practitioner who is not certified by the State must still obtain a permit from the Department; and 2) Massage establishments that employ only massage practitioners who are certified by the state must provide copies of those certificates to the Health Department for all massage practitioners employed by the establishment, and must update this information annually. The operator of a massage establishment, solo practitioner massage establishment, or outcall massage service must maintain a register of all individuals employed as massage practitioners and their State of California certificate or Department permit numbers. Such register shall be available for inspection by the Department at all times during regular business hours.

All massage establishments, whether state-certified or not, must comply with reasonable health and safety operating requirements. These amendments will:



- require massage practitioners licensed by the Department to wear a photo identification card;
- authorize denial of permit to an applicant for a Massage Establishment permit who has been convicted of specified crimes;
- provide an appeal process for anyone denied a Massage Establishment permit;
- prohibit sexual activity, and consumption of alcohol and non-prescription drugs on the premises of a Massage Establishment during business hours;
- provide other reasonable health and safety requirements;
- establish administrative penalties for violations of Article 29.

#### Background Information

State law was amended beginning in 2008 to exempt massage practitioners and massage therapists who are certified by the California Massage Therapy Council, and massage businesses that employ only state certified practitioners, from local permitting and other regulatory requirements except reasonable health and safety standards.

These amendments are designed to clarify and strengthen the health and safety standards, and provide uniform penalties for violation.



[Business and Tax Regulations Code - Administrative Changes]

Ordinance amending the Business and Tax Regulations Code by amending the Common Administrative Provisions to require monthly installment payments rather than prepayments of hotel and parking taxes, eliminate the requirement for annual parking tax bond renewal, provide a due date for business registration fees, exclude penalties from the calculation of interest on tax determinations, add a substantial underreporting penalty for failure to file a return when the tax liability exceeds \$5,000, and change the penalty for failure to register or update a registration, making misstatements in registration, failure to allow inspection of or to produce records, and failure to file a return; amending the Tax on Occupancy of Parking Space in Parking Stations to eliminate the pre-payment Revenue Control Equipment certification; amending Business Registration provisions to require a copy of the business registration certificate rather than a business tax registration tag be displayed on company vehicles, and to eliminate the Tax Collector's authority to suspend a business registration certificate; amending the Payroll Expense Tax Ordinance to provide that interest applies to unpaid penalties but not unpaid fees and interest, and to change the date that the Office of Economic and Workforce Development must provide the Tax Collector a list of persons eligible to claim the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion; and amending Parking Stations, Revenue Control Equipment to specify the date the Revenue Control Equipment Compliance Fee is due.

NOTE: Unchanged Code text and uncoded text are in plain Arial font.  
Additions to Codes are in single-underline italics Times New Roman font.  
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.  
Board amendment additions are in double-underlined Arial font.  
Board amendment deletions are in ~~strikethrough Arial font~~.



Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Clarification regarding Proposition E (November 6, 2012) and Sections 6.9-1, 6.9-3, and 905-A. Article 6, Sections 6.9-1 and 6.9-3, and Article 12-A, Section 905-A of the Business and Tax Regulations Code were amended by Proposition E, adopted by the voters at the election on November 6, 2012, and the Proposition E amendments are set to become operative on January 1, 2014. But because these Proposition E amendments are not yet operative, they are not included in the the Business and Tax Regulations Code. This ordinance, however, treats those three sections as if they are already in the Business and Tax Regulations Code as amended by Proposition E. Accordingly, the amendments in this ordinance shown in those sections as additions and deletions are amendments of the text of Proposition E as amended by the voters, not the text of those sections as they now appear in the Business and Tax Regulations Code.

Section 2. The Business and Tax Regulations Code is hereby amended by revising Article 6, Sections 6.6-1, 6.8-1, 6.9-1, 6.9-3, 6.9-4, 6.9-5, 6.9-6, 6.11-1, 6.11-2, 6.11-3, 6.17-2, 6.17-3, and 6.21-1 to read as follows:

**SEC. 6.6-1. CERTIFICATE OF AUTHORITY FOR THIRD-PARTY TAXES.**

(a) These additional provisions shall apply to operators under the transient hotel occupancy tax (Article 7), the parking space occupancy tax (Article 9), the utility users tax (Article 10) and the access line tax (Article 10B).



1 (b) Every operator who is required to collect or remit any third-party tax must possess  
2 a valid certificate of authority issued by the Tax Collector.

3 (c) The application for a certificate of authority shall be on a form provided by the Tax  
4 Collector and shall set forth the name under which the person transacts or intends to transact  
5 business, the location of each of the person's places of business in the City, and such other  
6 information as the Tax Collector may require. The application shall be signed by the owner if  
7 a sole proprietor, by a member or partner, in the case of an association, or by an executive  
8 officer or some person specifically authorized by the corporation to sign the application in the  
9 case of a corporation. No person shall operate a business for which a certificate of authority  
10 is required under subsection (b) unless and until the Tax Collector has issued that person a  
11 certificate of authority. The holder of a certificate of authority must promptly notify the Tax  
12 Collector of any changes to the information stated in the certificate of authority application.

13 (d) Except as provided in subsections (f), (g), (h), and (j) below, the Tax Collector,  
14 within 45 days after the application is complete, shall issue a separate certificate of authority  
15 to the operator to collect third-party taxes from customers for each location at which the  
16 operator is required to collect such taxes. The certificate will expire on a date certain set by  
17 the Tax Collector. The operator must apply for renewal of the certificate, before it expires, if  
18 the operator intends to continue to engage in business in the City. Except as provided in  
19 subsections (f), (g), (h) and (j), the Tax Collector may issue successive, one-year renewals of  
20 an operator's certificate. Each certificate shall state the location of the place of business to  
21 which it applies and shall be prominently displayed at such location in plain view of all  
22 customers. Certificates of authority may not be assigned or transferred. The operator shall  
23 immediately surrender to the Tax Collector the certificate for that location upon the operator's  
24 cessation of business at that location or upon the sale or transfer of the business.



1 (e) The holder of a certificate of authority to collect parking taxes under Article 9 shall  
2 remain presumptively liable for the collection of parking taxes at the location named in the  
3 certificate, and for the reporting and remittance of such taxes to the Tax Collector, unless and  
4 until the holder of the certificate both

5 (1) notifies the Tax Collector in writing that the holder has ceased to conduct a  
6 parking business at such location, and

7 (2) surrenders the certificate for that location to the Tax Collector.

8 (f) (1) The Tax Collector may refuse to issue the certificate where, within the 45-  
9 day period referred to in subsection (d) above, the Tax Collector determines that the operator,  
10 or any signatory to the application, or any person holding a 10 percent or greater legal or  
11 beneficial interest in said operator ("10% owner") is not in compliance with any provision of  
12 Articles 6, 7, 9, 10, 10B, 12, 12-A, 12-A-1, or 22, including but not limited to any failure to  
13 timely collect, report, pay, or remit any tax imposed by this Code, or where any such person is  
14 not in compliance with any provision of Sections 1215 through 1223 inclusive of Article 17 of  
15 the Police Code.

16 (2) Solely for purposes of determining under this Section whether any such  
17 operator, signatory or 10% owner is not in compliance with such Articles, the Tax Collector  
18 may disregard any corporation or association owned or controlled, directly or indirectly, by any  
19 such operator, signatory or 10% owner and consider such corporation or association's  
20 operations and liabilities as conducted by or as owned by any one or more of such corporation  
21 or association's officers, directors, partners, members or owners. For purposes of this  
22 Section, (A) the term "owned" means ownership of 50 percent or more of the outstanding  
23 ownership interests in such corporation or association, and (B) the term "controlled" includes  
24 any kind of control, whether direct or indirect, whether legally enforceable, and however  
25 exercisable or exercised over such corporation or association. A presumption of control



1 arises if the operator, signatory or 10% owner is (or was) an officer, director, partner or  
2 member of such corporation or association.

3 (g) Further, if any person subject to this Section violates any provision of Articles 6, 7,  
4 9, 10, 10B, 12, 12-A, 12-A-1, or 22, or a rule or regulation promulgated by the Tax Collector,  
5 including but not limited to any failure to timely collect, report, pay, or remit any tax imposed  
6 by this Code, failure to maintain accurate registration information, failure to sign any return or  
7 pay any tax when due, or failure to timely respond to any request for information, order for  
8 records or subpoena, or for failure to comply with the requirements of Article 22 of the  
9 Business and Tax Regulations Code or any provision of Sections 1215 through 1223 inclusive  
10 of Article 17 of the Police Code, the Tax Collector may, after serving the person with written  
11 notice of his or her determination in the manner provided in Section 6.11-2 and an opportunity  
12 to be heard pursuant to the notice and review provisions of Section 6.13-1 *et seq.*, refuse to  
13 issue that person a new certificate of authority or may revoke or suspend that person's  
14 certificate of authority. The Tax Collector may refuse to issue that person a new certificate of  
15 authority or to withdraw the suspension of an existing certificate until the person, signatory to  
16 the application for the certificate revoked or suspended, signatory to the application for a new  
17 certificate or withdrawal of the suspension, and all 10% owners have complied with the  
18 provisions of Articles 6, 7, 9, 10, 10B, 12, 12-A, 12-A-1, and 22 and corrected the original  
19 violation to the satisfaction of the Tax Collector. For any person applying for or holding a  
20 certificate of authority to collect parking taxes, the Tax Collector shall promptly notify the Chief  
21 of Police in writing that it has revoked a person's certificate of authority, refused to issue a  
22 new certificate of authority, suspended an existing certificate of authority or determined that  
23 the person is not in compliance with the Business and Tax Regulations Code. The Tax  
24 Collector shall in writing request that the Chief of Police refuse to issue a commercial parking



1 permit to the person or suspend or revoke the person's existing commercial parking permit  
2 and immediately close the business, pursuant to Sec. 1215.3(b) of the Police Code.

3 (h) (1) Before any certificate of authority shall be issued to any applicant to engage  
4 in the business of renting parking space in a parking station in this City and ~~annually~~, for as  
5 long as the business continues, such applicant shall file with the Tax Collector a bond naming  
6 the City as exclusive beneficiary at all times the applicant engages in such business. Such  
7 bond shall be in the following amounts:

Annual gross receipts for parking station	Bond amount
Less than \$100,000.00	\$20,000
\$100,000.00 to \$250,000.00	\$50,000
\$250,000.01 to \$500,000.00	\$100,000
\$500,000.01 to \$750,000.00	\$150,000
\$750,000.01 to \$1,000,000.00	\$200,000
\$1,000,000.01 to \$1,250,000.00	\$250,000
\$1,250,000.01 to \$1,500,000.00	\$300,000
\$1,500,000.01 to \$1,750,000.00	\$350,000
\$1,750,000.01 to \$2,000,000.00	\$400,000
\$2,000,000.01 to \$2,250,000.00	\$450,000
\$2,250,000.01 to \$2,500,000.00	\$500,000
\$2,500,000.01 to \$2,750,000.00	\$550,000
\$2,750,000.01 to \$3,000,000.00	\$600,000
\$3,000,000.01 to \$3,250,000.00	\$650,000
\$3,250,000.01 to \$3,500,000.00	\$700,000
\$3,500,000.01 to \$3,750,000.00	\$750,000
\$3,750,000.01 to \$4,000,000.00	\$800,000



1                                   \$4,000,000.01 and greater

                                 \$800,000

2                   (2) This bond requirement does not apply to an applicant that is a governmental  
3 entity.

4                   (3) The Tax Collector may, in his or her discretion, independently establish the  
5 annual gross receipts for a parking station and set the bond amount pursuant to the schedule  
6 above, based on that determination. If, at the end of any calendar year, the gross receipts for  
7 a parking station have increased such that a larger bond amount would be required under the  
8 above schedule, the operator shall obtain a new bond in the increased amount by the  
9 following April 1. If at the end of any calendar year the gross receipts for the parking station  
10 have decreased, the operator may apply to the Tax Collector for a reduction of the bond  
11 amount.

12                   \* \* \* \*

13  
14 **SEC. 6.8-1. CITY, PUBLIC ENTITY AND CONSTITUTIONAL EXEMPTIONS.**

15                   (a) Nothing in Articles 6, 7, 9, 10, 10B, 11, 12, ~~or 12-A~~, or 12-A-I shall be construed as  
16 imposing a tax upon:

17                   (1) The City;

18                   (2) The State of California, or any county, municipal corporation, district or other  
19 political subdivision of the State, except where any constitutional or statutory immunity from  
20 taxation is waived or is not applicable;

21                   (3) The United States of America, or any of its agencies or subdivisions, except  
22 where any constitutional or statutory immunity from taxation is waived or is not applicable; or

23                   (4) Any person exempted from the particular tax by the Constitution or statutes  
24 of the United States or the Constitution or statutes of the State of California.  
25



(b) The foregoing exemption from taxation does not relieve an exempt party from its duty to collect, report, and remit third-party taxes.

**SEC. 6.9-1. DETERMINATIONS, RETURNS AND PAYMENTS; DUE DATE OF TAXES.**

Except for jeopardy determinations under Section 6.12-2, and subject to ~~prepayments~~remittances required under Section 6.9-2, all amounts of taxes and fees imposed by Articles 6, 7, 9, 10, 10B, 11, 12, 12-A, and 12-A-1 are due and payable, and shall be delinquent if not paid to the Tax Collector on or before the following dates:

(a) For the transient hotel occupancy tax (Article 7) and the parking space occupancy tax (Article 9), for each ~~calendar quarter, on or before the last day of the month following each~~  
~~respective quarterly period~~monthly period, on or before the last day of the following month;

(b) For the payroll expense tax (Article 12-A) and the gross receipts tax (Article 12-A-1), on or before the last day of February of each year;

(c) For the utility users taxes (Article 10) and the access line tax (Article 10B), for each monthly period, on or before the last day of the following month; ~~and~~

(d) For the stadium operator admission tax (Article 11), within 5 days after the event, subject to the provisions of Section 804 of Article 11; ~~and~~

(e) For the business registration certificate (Article 12), on or before the last day of May preceding the registration year commencing July 1 of that year.

**SEC. 6.9-3. DETERMINATIONS, RETURNS AND PAYMENTS; ~~PREPAYMENTS~~.**

(a) ~~Prepayments and~~ Remittances. Notwithstanding the due dates otherwise provided in Section 6.9-1, taxpayers shall make ~~prepayments and~~ remittances of taxes and third-party taxes to the Tax Collector as follows:



(1) Hotel and Parking Taxes. The Hotel Tax (Article 7) and the Parking Tax (Article 9) returns shall be filed monthly and taxes shall be remitted monthly. Such monthly remittances shall be due and payable to the Tax Collector on or before the last day of the month immediately following the month for which such remittance is due. ~~Taxes paid in the first 2-monthly remittances of any quarterly period shall be a credit against the total liability for such third-party taxes for the quarterly period. The third monthly remittance of any quarterly period shall be in an amount equal to the total tax liability for the quarterly period, less the amount of any monthly remittance for such quarter actually paid.~~

(2) Payroll Expense Tax and Gross Receipts Tax. The payroll expense tax (Article 12-A) and the gross receipts tax (Article 12-A-1) shall be paid in quarterly installments as follows:

(A) Due Dates. Every person liable for payment of payroll expense tax or gross receipts tax for any tax year shall pay such tax for the subject tax year in 4 quarterly installments. The first, second and third quarterly installments shall be due and payable, and shall be delinquent if not paid on or before, April 30, July 31, and October 31st, respectively, of the subject tax year. The fourth installment shall be reported and paid on or before the last day of February following the subject tax year.

(B) Payments.

(i) Installment Payments. The first, second, and third quarterly installments shall be a credit against the person's total payroll expense tax or gross receipts tax, as applicable, for the subject tax year in which such first, second, and third quarterly installments are due. The fourth quarterly installment shall be in an amount equal to the person's total payroll expense tax or gross receipts tax liability for the subject tax year, as applicable, less the amount of the payroll expense tax or gross receipts tax first, second, and third quarterly installments and other tax payments, if any, actually paid.



(ii) Payroll Expense Tax Installments. A person's first, second, and third quarterly installment payments of payroll expense tax for any tax year shall be computed by using:

1. The person's taxable payroll expense (as defined under Article 12-A) for each quarter; and

2. The rate of tax applicable to the tax year in which the first, second, and third quarterly installments are due.

3. Notwithstanding the foregoing, and except for taxpayers under Section 953.8 of Article 12-A-1, for tax years commencing after December 31, 2013, the first, second, and third quarterly installments shall be computed using the rates set forth in the following table:

Tax Year	1st, 2nd and 3rd Installments
2014	1.350%
2015	1.125%
2016	0.750%
2017	0.375%
2018	0.000%

The fourth quarterly installment shall be in an amount equal to the person's total payroll expense tax liability for the subject tax year, less the amount of the first, second, and third quarterly installments and other tax payments, if any, actually paid. A person's total payroll expense tax liability shall be computed using the rate for the subject tax year computed, certified, and published by the Controller under Section 903.1 of Article 12-A or as otherwise provided in this Article.



(iii) Gross Receipts Tax Installments. A person's first, second, and third quarterly installments of gross receipts tax for any tax year shall be computed by using:

1. The person's taxable gross receipts (as defined under Article 12-A-1) for each quarter; and

2. The rate of tax applicable to the tax year in which the first, second, and third quarterly installments are due.

3. Notwithstanding the foregoing, and except for taxpayers under Section 953.8 of Article 12-A-1, for tax years commencing after December 31, 2013, the first, second, and third quarterly installments shall be computed using the rates applicable to the person's taxable gross receipts under Sections 953.1 through 953.7 of Article 12-A-1, multiplied by the percentages set forth in the following table:

Tax Year	1st, 2nd and 3rd Installments
2014	10%
2015	25%
2016	50%
2017	75%
2018	100%

The fourth quarterly installment shall be in an amount equal to the person's total gross receipts tax liability for the subject tax year, less the amount of the first, second, and third quarterly installments and other tax payments, if any, actually paid. A person's total gross receipts tax liability shall be computed using the rate for the subject tax year computed, certified, and published by the Controller under Section 959 of Article 12-A-1, or as otherwise provided in that Article.

(b) ~~Tax-Prepayment~~Installment Penalties. Every person who fails to pay any tax ~~prepayment~~installment required under this Section before the relevant delinquency date shall



1 pay a penalty in the amount of 5 percent of the amount of the delinquent tax  
2 ~~prepaymentinstallment~~ per month, or fraction thereof, up to 20 percent in the aggregate, and  
3 shall also pay interest on the amount of the delinquent tax ~~prepaymentinstallment~~ and penalties  
4 from the date of delinquency at the rate of 1 percent per month, or fraction thereof, for each  
5 month the ~~prepaymentinstallment~~ is delinquent, until paid.

6 (c) Hotel and Parking Taxes. An operator subject to the Hotel Tax (Article 7) or the  
7 Parking Tax (Article 9) shall make monthly remittances in the amount of the actual tax owed.

8 (d) Forms and Adjustments. Tax ~~prepaymentsremittances~~ required under this Section  
9 shall be accompanied by a tax ~~prepaymentremittance~~ form prepared by the Tax Collector, but  
10 failure of the Tax Collector to furnish the taxpayer with a tax ~~prepaymentremittance~~ form shall  
11 not relieve the taxpayer from any tax ~~prepaymentpayment~~ obligation. ~~The Tax Collector may, in~~  
12 ~~writing, adjust the amount of a tax prepayment if the taxpayer can establish in writing by clear and~~  
13 ~~convincing evidence that the first installment of semi-annual tax prepayments, or first, second or third~~  
14 ~~monthly installment of a quarterly tax prepayment, will amount to more than one-half or one-quarter,~~  
15 ~~respectively, of the person's total tax liability for the tax year in which the installment is due.~~

#### 16 17 **SEC. 6.9-4. DETERMINATIONS, RETURNS AND PAYMENTS; EXTENSION OF TIME FOR** 18 **FILING A RETURN AND PAYING TAX.**

19 (a) For good cause, the Tax Collector, in his or her discretion, may extend, for a period  
20 not to exceed 60 days, the time for filing any return pursuant to this Article or regulations  
21 prescribed by the Tax Collector. For ~~prepayments of taxes or for taxes~~ required to be deposited  
22 monthly, the Tax Collector may only extend the time for filing a return for a period not to  
23 exceed 30 days. As a condition of such extension, the person seeking the extension shall  
24 make a payment of not less than 90 percent of such person's estimated liability for such  
25



period. For purposes of determining the amount of the conditional payment, the Tax Collector may independently establish the taxpayer's estimated tax liability.

(b) Failure to make the required ~~estimated prepayment~~installment payment will result in the taxpayer being subject to penalties and interest under Section 6.17-1.

(c) Notwithstanding subsection (a) of this Section, the Tax Collector may extend any time for filing any return or payment of tax or excuse penalties for any late filing or late payment by a period not to exceed 60 days if billing or other administrative duties of the Tax Collector cannot be performed in a timely manner.

#### **SEC. 6.9-5. DETERMINATIONS, RETURNS AND PAYMENTS; CREDITS AND EXEMPTIONS.**

The credits and exemptions set forth in Articles 6, 7, 9, 10, 10B, 11, 12, 12-A, 12-A-1, and 12-C are provided on the assumption that the City has the power to offer such credits and exemptions. If a credit or exemption is invalidated by a court of competent jurisdiction, the taxpayer must pay any additional amount that the taxpayer would have owed but for such invalid credit or exemption. Amounts owed as a result of the invalidation of a credit or exemption that are paid within 3 years after the decision of the court becomes final shall not be subject to interest or penalties.

#### **SEC. 6.9-6. FILING AND PAYING BY MAIL.**

(a) **Filing by Mail.** Except as otherwise provided in this Section, taxpayers may file any return or other document with or make any payment to, ~~including a prepayment to,~~ the Tax Collector by United States mail.

\* \* \* \*



1     **SEC. 6.11-1. DEFICIENCY DETERMINATIONS; RECOMPUTATION; INTEREST.**

2           (a) If the Tax Collector determines that a taxpayer has failed to pay or has underpaid a  
3     tax, that an operator has failed to collect and remit all of a third-party tax, or that a person  
4     other than the taxpayer is jointly and severally liable for any unpaid or underpaid tax, including  
5     third-party taxes, the Tax Collector may compute and determine any tax deficiency upon the  
6     basis of the return or returns or upon the basis of any other information with in the Tax  
7     Collector's possession or that may come into the Tax Collector's possession. One or more  
8     deficiency determinations ~~may be made~~ of the amount due may be made for one or for more than  
9     one period.

10          (b) The amount of the determination, ~~inclusive~~exclusive of penalties, shall bear interest  
11     at the rate of 1 percent per month, or fraction thereof, from the 15th day after the close of the  
12     month or the ~~quarterly~~monthly period for third-party taxes, or from the last day of February  
13     following the close of the annual period, for which the amount or any portion thereof should  
14     have been ~~returned~~remitted until the date of payment in full, or, in the case of stadium operator  
15     admission taxes, from the due dates of said tax as set forth in Article 11, Section 804.

16          (c) In making a determination, the Tax Collector may offset overpayments for a period  
17     or periods together with interest on the overpayments, against underpayments for another  
18     period or periods, against penalties, and against the interest on the underpayments. The  
19     interest on underpayments and overpayments shall be computed in the manner set forth in  
20     Section 6.17-1 for underpayments and in Section 6.15-2 for overpayments.

21  
22     **SEC. 6.11-2. DEFICIENCY DETERMINATIONS; REVOCATION ~~AND SUSPENSION~~**  
23     **DETERMINATIONS; NOTICE AND SERVICE.**

24           (a) Upon making a determination pursuant to Section 6.11-1, or upon making a  
25     determination pursuant to Section 6.6-1 that a certificate shall not be issued or ~~to suspend or~~



1 revoke a registration, the Tax Collector shall give to the taxpayer or other person affected  
2 written notice of the Tax Collector's determination. Except in the case of fraud, intent to  
3 evade the Business and Tax Regulations Code or rules and regulations issued or  
4 promulgated by the Tax Collector, or failure to file a return, in which case there is no statute of  
5 limitations, every notice of a deficiency determination shall be served within 3 years after the  
6 date that a return was due for a tax for the reporting period or 3 years after the return was  
7 actually filed for that reporting period, whichever is later. ~~This limitations period shall apply only~~  
8 ~~to tax periods commencing after December 31, 2007. The notice requirements specified in Board of~~  
9 ~~Supervisors Ordinance No. 26-04 shall continue to apply to obligations arising in prior tax periods.~~  
10 The Taxpayer may agree in writing to extend the period for service of a notice of a deficiency  
11 determination otherwise provided in this paragraph.

12 (b) The notice of any determination under this Section may be served upon the  
13 taxpayer or other affected person personally or by mail; if by mail, service shall be

14 (1) to the last known address that appears or is shown in the Tax Collector's  
15 records, provided there is such an address in the Tax Collector's record, or

16 (2) to an address that the Tax Collector concludes in his discretion is the last  
17 known address of the person(s).

18 (c) In case of service by mail of any notice required by this Article to be served upon  
19 the taxpayer or other person, the service is complete at the time of deposit with the United  
20 States Postal Service.

21  
22 **SEC. 6.11-3. DETERMINATION IF NO RETURN MADE; ESTIMATE OF LIABILITY,**  
23 **PENALTIES AND INTEREST.**

24 (a) If any taxpayer or person responsible for paying a tax or remitting a third-party tax  
25 fails to make a timely return or ~~estimated tax prepayment~~ remittance, the Tax Collector may make



1 a determination based upon an estimate of the amount of the total tax liability of the taxpayer.  
2 The estimate shall be made for the period or periods in respect to which the person failed to  
3 timely make a return, ~~failed to timely make a prepayment~~ or failed to timely remit a tax, and may  
4 be based upon any information which is in the Tax Collector's possession or may come into  
5 his or her possession. Upon the basis of this estimate, the Tax Collector shall compute and  
6 determine the amount required to be paid to the City, adding to the sum thus computed a  
7 penalty equal to 20 percent thereof. One or more determinations may be made for one or  
8 more than one period. Any such determination shall be prima facie evidence of the person's  
9 liability in any subsequent administrative or judicial proceeding.

10 (b) In making a determination, the Tax Collector may offset overpayments for a period  
11 or periods, together with interest on the overpayments, against underpayments for another  
12 period or periods, against penalties, and against the interest on the underpayments. The  
13 interest on underpayments and overpayments shall be computed in the manner set forth in  
14 Sections 6.17-1 and 6.15-2, respectively. The amount of the determinations, including  
15 penalties, shall bear interest at the rate of one percent per month, or fraction thereof, from the  
16 date of delinquency until the date of payment.

17 (c) The Tax Collector shall serve the person or persons determined to be liable for the  
18 tax as determined under Section 6.11-3 with written notice of the determination and penalty.  
19 The Tax Collector shall serve the notice upon such person(s) personally or by mail. Service  
20 by mail shall be

21 (1) to the last known address as indicated in the Tax Collector's records,  
22 provided there is such an address in the Tax Collector's record, or

23 (2) to an address that the Tax Collector concludes in his discretion is the last  
24 known address of the person(s).



1     **SEC. 6.17-2. PENALTIES FOR UNDERREPORTING OF TAX.**

2             **(a) Penalties for Negligence.** If the Tax Collector determines that all or part of any  
3     tax required to be reported on any return was underreported and that such underreporting  
4     was attributable to negligence, the Tax Collector may impose a penalty in the amount of  
5     5 percent of the amount of the underreported tax, in addition to the tax or amount of tax, if the  
6     negligence is for not more than 1 month, with an additional 5 percent for each month or  
7     fraction of a month during which such negligence continues, up to 20 percent in the  
8     aggregate.

9             **(b) Penalties for Intentional Disregard of Rules, Fraud, or Intent to Evade Tax.**  
10    When it is determined by the Tax Collector that all or part of any tax required to be reported  
11    on any return was underreported and such underreporting was attributable to fraud or an  
12    intent to evade the Business and Tax Regulations Code, the Tax Collector may impose a  
13    penalty in the amount of 50 percent of the amount of the underreported tax. The taxpayer or  
14    other person determined to be liable for penalties pursuant to this Section is entitled to a  
15    notice of deficiency determination or jeopardy determination and to the appeal rights as to  
16    such determinations.

17            **(c) Additional Penalty for Substantial Underreporting.**

18            (1) For purposes of this section, "substantial underreporting of tax" means the  
19    tax finally determined by the Tax Collector under Articles 7, 9, 10, 10B, 11, ~~or 12-A~~, or 12-A-1  
20    of this Business and Tax Regulations Code exceeds the amount of tax reported on a  
21    taxpayer's original or amended return for a taxable period by 25 percent or more, or if no return  
22    is filed, the tax liability determined by the Tax Collector pursuant to Section 6.11-1 exceeds \$5000.

23            (2) If the Tax Collector determines that a taxpayer has made a substantial  
24    underreporting of tax for any taxable period, the Tax Collector may impose an additional  
25    penalty in an amount equal to 50 percent of the tax attributable to the substantially



1 underreported amount. The penalty for substantial underreporting is in addition to any other  
2 penalty imposed under this Article 6.

3 (3) The additional penalty for substantial underreporting applies to all taxable  
4 periods ending on or after June 19, 2010.

5  
6 **SEC. 6.17-3. NEGLIGENCE PENALTIES FOR FAILURE TO REGISTER,**  
7 **MISSTATEMENTS IN REGISTRATION, FAILURE TO TIMELY UPDATE REGISTRATION,**  
8 **FAILURE TO ALLOW INSPECTION OF RECORDS UPON REQUEST, AND FAILURE TO**  
9 **FILE A RETURN; SANCTION FOR FAILURE TO PRODUCE REQUESTED RECORDS.**

10 (a) Any person who fails to register, fails to amend a registration within 7 days of a  
11 material change or who makes a material misrepresentation in a registration or who fails to  
12 comply with a rule or regulation promulgated by the Tax Collector in a timely manner shall  
13 pay, in addition to any other liability that may be imposed under the provisions of this Article, a  
14 penalty in an amount equal to ~~the penalized taxpayer's annual fee for obtaining a registration~~  
15 ~~certificate as set forth in Article 12~~ the greater of \$100 or the penalty assessed pursuant to  
16 Section 6.17-1.

17 (b) The Tax Collector may impose a penalty upon any person who fails to file a return  
18 or returns required under this Article on or before the date prescribed for filing up to the  
19 amount of \$500 for each such failure. The penalty under this provision shall be in addition to  
20 any other liability that may be imposed under the provisions of this Article. Filing a return that  
21 the Tax Collector determines to be incomplete in any material aspect may be deemed failure  
22 to file a return in violation of this Section.

23 (c) Any person who fails to allow a full inspection of records pursuant to a request  
24 made by the Tax Collector within the time prescribed by the Tax Collector shall pay, in  
25



1 addition to any other liability that may be imposed under the provisions of this Article, a  
2 penalty in the amount of \$500 for each such failure.

3 (d) Unless the failure to allow inspection was due to reasonable cause and not willful  
4 neglect, any person who fails to provide records pursuant to a written request made by the  
5 Tax Collector may not contest the Tax Collector's decision regarding the amount of such  
6 person's liability for any taxes, administrative collection costs, interest, penalties or other costs  
7 and charges imposed under the Business and Tax Regulations Code, or oppose the collection  
8 of such amount, in any subsequent administrative or judicial proceeding, on the basis of any  
9 record the Tax Collector previously requested in writing that such person failed to make  
10 available to the Tax Collector on or before the earliest to occur of the following:

11 (1) The conclusion of the hearing on a petition for redetermination held pursuant  
12 to Sections 6.12-5 or 6.13-2;

13 (2) The date the jeopardy determination became final under Section 6.12-5 if  
14 such person did not request hearing thereon;

15 (3) The date the deficiency determination became final under Section 6.13-4 if  
16 such person did not request a hearing thereon.

17  
18 **SEC. 6.21-1. TRANSFEREE AND SUCCESSOR LIABILITY.**

19 (a) No person shall purchase or acquire an interest in a business subject to any tax  
20 imposed under the Business and Tax Regulations Code without first obtaining either a receipt  
21 from the Tax Collector showing that all of the seller's taxes on the business have been paid,  
22 or a certificate stating that no amount is due. For purposes of this Section, "purchase" shall  
23 include any other voluntary transfer for consideration of a business, except for purchase of  
24 stock of a publicly-traded company.



1 (b) The Tax Collector shall issue such a receipt or certificate, or a notice of the amount  
2 that must be paid as a condition of issuing the certificate, to the buyer within 30 days after  
3 receiving a written request. However, failure of the Tax Collector to timely mail the notice will  
4 not release the buyer from his or her obligations under this Section, except to the extent of  
5 penalties and interest in the event that the Tax Collector enforces the buyer's obligation in a  
6 civil action authorized pursuant to the Business and Tax Regulations Code.

7 (c) If the buyer purchases or acquires an interest in a business owing any taxes,  
8 interest or penalties imposed under Articles 7, 9, ~~or 12-A~~, or 12-A-1, the buyer shall withhold  
9 from the purchase price and pay to the Tax Collector a sufficient amount to satisfy said taxes,  
10 interest and penalties.

11 (d) If the buyer purchases or acquires an interest in a business in violation of this  
12 Section, the buyer shall become personally liable for the amount of taxes, interest and  
13 penalties owed on the business.

14 (e) The buyer's obligations shall accrue at the time the business is purchased or the  
15 interest acquired, or at the time the Tax Collector determines the seller's final liability,  
16 whichever is later.

17 (f) The liability at law or in equity of a successor, transferee or alter ego of any  
18 taxpayer or other person determined to be liable for any tax, interest, cost or penalty subject  
19 to this Article, imposed upon a taxpayer may be determined, collected and paid in the same  
20 manner and subject to the same provisions and limitations as a deficiency determination  
21 pursuant to Sections 6.11-1, 6.11-2, and 6.13-1 *et seq.* Nothing in this subsection shall be  
22 construed to limit the rights or procedures available to the Tax Collector to collect from any  
23 successor, transferee or alter ego, at law or in equity, as may be provided by law.



Section 3. The Business and Tax Regulations Code is hereby amended by revising Article 9, Section 607 to read as follows:

**SEC. 607. OPERATOR CERTIFICATION OF REVENUE CONTROL EQUIPMENT, RCE RECORD REVIEW, AND UNACCOUNTED TICKET RATIO.**

(a) **Definitions.** The terms used in this Section shall have the meaning given to them in Section 2201 of this Code.

(b) **Operator's RCE Certification.** Concurrent with remittance of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1, an Operator shall certify in writing under penalty of perjury that it has utilized RCE that complies with the applicable provisions of Article 22 of this Code during the period for which the Operator remits the Parking Taxes. If the Operator remits Parking Taxes to the City on a monthly basis, then the Operator shall certify that during the immediately preceding month it utilized RCE that complies with all applicable provisions of this Article. ~~If the Operator prepays estimated Parking Taxes, then the Operator shall certify with its prepayment that it has utilized RCE that complies with all applicable provisions of this Article during the preceding prepayment period.~~

(c) **Operator's RCE Records Review Certification.** Concurrent with remittance of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1, an Operator shall also certify in writing under penalty of perjury that it has reviewed the RCE Records, as defined at Section 2201(b) of this Code, as to amounts of gross revenue, Rent received, Parking Tax collected and remitted, discounts provided, and Unaccounted Ticket Ratio for each Parking Station that it operated in the period reported. The Operator shall further certify that it has reconciled those RCE Records with its books and records of accounts of Rent received and Parking Tickets used, such that the Operator's certifications made under this Article are informed and correct.



1 (d) **Operator's Unaccounted Ticket Ratio Certification.** Concurrent with remittance  
2 of Parking Taxes to the City pursuant to Business and Tax Regulations Code Section 6.7-1,  
3 on a form provided by the Tax Collector, an Operator shall state the Unaccounted Ticket Ratio  
4 for the reporting period, and shall certify in writing under penalty of perjury that the stated ratio  
5 is accurate. The Unaccounted Ticket Ratio shall be calculated as follows. The number of  
6 Unaccounted Tickets for a reporting period is calculated separately for each Parking Station  
7 operated by the Operator as the sum of Inventory at the start of the reporting period and the  
8 Issued Tickets for that period, less the Voided Tickets for that period, less the Collected  
9 Tickets for that period. The Unaccounted Ticket Ratio is calculated as the number of  
10 Unaccounted Tickets for a particular Parking Station for that period divided by the number of  
11 Issued Tickets for that period, with the resulting quotient multiplied by 100 and expressed as a  
12 percentage of Issued Tickets.

13  
14 Section 4. The Business and Tax Regulations Code is hereby amended by revising  
15 Article 12, Sections 859 and 860 to read as follows:

16  
17 **SEC. 859. BUSINESS ~~TAX~~ REGISTRATION ~~TAG~~ CERTIFICATE REQUIRED ON CERTAIN**  
18 **VEHICLES.**

19 (a) The Tax Collector shall require persons engaged in the businesses listed in  
20 subsection (b) to display prominently upon each vehicle which is registered as a commercial  
21 vehicle with the California Department of Motor Vehicles, and which is used by the person in  
22 the conduct of his or her business, a ~~registration tag~~ copy of the person's business registration  
23 certificate in such form and color and containing such information as the Tax Collector shall  
24 determine. An employee's personally owned vehicles are exempt from this requirement. ~~The~~  
25



1 ~~Tax Collector shall charge an annual fee of \$30 for each tag issued to cover the cost of issuing the tag.~~  
2 ~~The registration tag shall be valid for the year of issuance, or 1 year, whichever ends later.~~

3 ~~It is unlawful for any person, required to display a registration tag pursuant to this Section, to~~  
4 ~~use or cause to be used any company vehicle which is registered as a commercial vehicle with the~~  
5 ~~California Department of Motor Vehicles in the conduct of the person's business within the City and~~  
6 ~~County that does not have a business tax registration tag attached thereto or to remove or deface or~~  
7 ~~cover up the registration tag, or to place such registration tag upon any vehicle other than a vehicle~~  
8 ~~used by the person in his or her business, or to use or cause to be used any such vehicle more than 30~~  
9 ~~days after the expiration of the period for which the registration tag was issued. An employee's~~  
10 ~~personally owned vehicles are exempt from this requirement.~~

11 ~~Each person required to display a registration tag on vehicles used in conduct of his or her~~  
12 ~~business shall keep the registration tag(s) issued by the Tax Collector firmly affixed upon each vehicle~~  
13 ~~for which a registration tag was issued at such location upon the vehicle as is designated by the Tax~~  
14 ~~Collector.~~

15 ~~Subsequent to the issuance of any business tax registration certificate and prior to the~~  
16 ~~expiration date, any person seeking to use any company vehicle which is registered as a commercial~~  
17 ~~vehicle with the California Department of Motor Vehicles in his or her business, for which a tag has~~  
18 ~~not been issued, shall procure a tag for such vehicle from the Tax Collector. Upon the payment of a fee~~  
19 ~~for such tag, the Tax Collector shall deliver the tag to the person, which tag shall be securely affixed to~~  
20 ~~the vehicle upon the location designated by the Tax Collector.~~

21 (b) Persons engaged in the following business(es) shall be required to display a  
22 ~~registration tag~~copy of the person's business registration certificate on company vehicles which are  
23 registered as commercial vehicles with the California Department of Motor Vehicles and which  
24 are used in the conduct of his or her business:  
25



1 Roofing contractor and any other contractor performing work for which a reroofing  
2 permit is required.

3  
4 **SEC. 860. REGISTRATION CERTIFICATE – ~~SUSPENSION AND~~ REVOCATION.**

5 If a person fails to comply with any provision of this Article or any rule or regulation  
6 adopted pursuant thereto, the Tax Collector, after giving such person 15 days notice in writing  
7 specifying the time and place of the hearing and requiring such person to show cause why his  
8 or her registration certificate or registration certificates should not be revoked, may revoke ~~or~~  
9 ~~suspend~~ any one or more of the registration certificates held by such person. The notice shall  
10 be served in the same manner prescribed for the service of a notice of a deficiency  
11 determination under Article 6. The Tax Collector shall not issue a new registration certificate  
12 after the revocation of a registration certificate unless the registrant complies with the  
13 provisions of the Business and Tax Regulations Code and the rules and regulations adopted  
14 thereunder.

15  
16 Section 5. The Business and Tax Regulations Code is hereby amended by revising  
17 Article 12-A, Sections 905-A and 906.3 to read as follows:

18  
19 **SEC. 905-A. SMALL BUSINESS TAX EXEMPTION.**

20 (a) Notwithstanding any other provisions of this Article, a "small business enterprise"  
21 as hereinafter defined, shall be exempt from payment of the payroll expense tax; provided,  
22 however, that a small business enterprise shall pay the annual registration fee pursuant to  
23 Section 855 of Article 12.

24 (b) The term "small business enterprise" shall mean and include any taxpayer:  
25



1 (1) Whose tax liability under this Article, but for this exemption provision, would  
2 not exceed \$2,500 or, effective January 1, 2009 whose taxable payroll expense does not  
3 exceed \$250,000; and

4 (2) Who has filed a tax return by the last date of February for the preceding tax  
5 year. If the taxpayer fails to file a return by that date, the taxpayer shall be subject to a  
6 penalty as specified in subsection (d).

7 (c) For the 2011 tax year, and each second succeeding tax year the Tax Collector  
8 shall increase the ceiling for the small business tax exemption (rounded to the nearest  
9 \$10,000 increment) to reflect increases in the United States Department of Labor's Bureau of  
10 Labor Statistics consumer price index for all urban customers for the San Francisco-Oakland-  
11 San Jose area for each of the preceding two tax years.

12 (d) In lieu of the penalty specified in Section 6.17-3 of Article 6 for failing to file a  
13 return, any person who otherwise qualifies for the small business tax exemption set forth in  
14 this Section who fails to file a return by the last date of February shall pay a penalty as  
15 follows:

16 (1) If the person's payroll expense tax liability under this Article, but for the small  
17 business tax exemption under this Section, would be \$2,250 or more, the penalty shall be  
18 5 percent of the amount of such liability, for each month, or fraction thereof, that the  
19 ~~return~~amount due is delinquent, plus an additional 5 percent each month, or fraction thereof,  
20 that the ~~return~~amount due is delinquent, up to a maximum of 20 percent of the tax liability. Any  
21 penalties remaining unpaid for a period of 90 days or more shall be subject to an additional  
22 penalty of 20 percent of the amount of the tax liability excluding penalties and interest.

23 (2) Penalties are due and payable when assessed. Unpaid penalties, ~~interest~~  
24 ~~and fees~~ shall accrue interest at the rate of 1 percent per month, or fraction thereof, from the  
25 date that they are assessed through the date of payment. The total amount of the penalties,



1 interest and fees shall not exceed the amount of the person's payroll expense tax liability for the  
2 period but for the small business tax exemption.

3 (e) The Tax Collector may, in his or her discretion, reduce the penalty set forth in  
4 subsection (d) to not less than \$100 upon a showing that the late filing of the return was due  
5 to reasonable cause and not due to willful neglect.

6  
7 **SEC. 906.3. CENTRAL MARKET STREET AND TENDERLOIN AREA PAYROLL**  
8 **EXPENSE TAX EXCLUSION.**

9 \* \* \* \*

10 (c) In order to be eligible for the payroll expense tax exclusion authorized under this  
11 Section, persons wishing to claim the exclusion must:

12 (1) Complete and submit an initial application to the Office of Economic and  
13 Workforce Development for review and evaluation. The Office of Economic and Workforce  
14 Development will use this application to verify that applicants claiming the payroll expense tax  
15 exclusion under this Section meet the eligibility requirements outlined in this subsection (~~bc~~) of  
16 ~~this Section~~. The Office of Economic and Workforce Development and the Office of the  
17 Treasurer and Tax Collector shall prescribe the form of the application and, consistent with  
18 this ordinance, the rules and regulations regarding eligibility for the Central Market Street and  
19 Tenderloin Area payroll expense tax exclusion, which shall include participation in the City's  
20 First Source Hiring Program as defined in Section 83.4 of the Administrative Code.

21 (2) File an annual affidavit with the Office of Economic and Workforce  
22 Development affirming that they continue to meet the eligibility criteria as determined by the  
23 Office of Economic and Workforce Development. The annual affidavit should detail the total  
24 number of individuals hired during the year, the number of individuals who were referred by  
25 the San Francisco Workforce Development System during the year, and the duration of



1 employment for each individual hired during the year. The affidavit must be filed with the  
2 Office of Economic and Workforce Development on or before ~~January~~December 31 of each  
3 year subsequent to the Office of Economic and Workforce Development's initial approval of  
4 the application.

5 (3) Maintain records and documents in a manner acceptable to the Tax  
6 Collector. Such records and documents must objectively substantiate any exclusion claimed  
7 under this Section and be provided to the Tax Collector upon request.

8 (4) File ~~ana~~ timely annual Payroll Expense Tax Return and affidavit with the Tax  
9 Collector regardless of the amount of tax liability, if any, shown on the return after claiming the  
10 exclusion provided for in this Section.

11 (5) Any person whose annual payroll expense exceeds one million dollars  
12 (\$1,000,000) shall enter into a binding Community Benefit Agreement with the City  
13 Administrator in order to be eligible for the payroll expense tax exclusion under this Section.  
14 Such Community Benefit Agreement may include commitments to engage in community  
15 activities in the Central Market Street and Tenderloin Area as well as participation in  
16 workforce development opportunities.

17 \* \* \* \*

18  
19 Section 6. The Business and Tax Regulations Code is hereby amended by revising  
20 Article 22, Section 2219.6 to read as follows:

21  
22 **SEC. 2219.6. COLLECTION AND ENFORCEMENT.**

23 (a) The Revenue Control Equipment Compliance Fee shall be due ~~annually~~ to the Tax  
24 Collector annually on December 31 and shall be remitted by the Operator ~~as a part of the last~~  
25 quarterly parking tax return.



1 (b) The Fee is payable, when due, at the office of the Tax Collector, and if not paid  
2 within 30 days after the same becomes due, the Tax Collector shall add 10 percent to the  
3 amount of the Fee as a penalty for nonpayment. If the Fee is not paid within 60 days after the  
4 same becomes due, the Tax Collector shall add 15 percent to the amount of the Fee as a  
5 penalty for nonpayment. If the Fee is not paid within 90 days after same becomes due, the  
6 Tax Collector shall add 25 percent to the amount of the Fee, as a penalty for nonpayment;  
7 provided, however, when an Operator has failed for a period of six months or more to pay the  
8 ~~f~~Fee, and has allowed the ~~f~~Fee to become delinquent for this or a longer period, the Tax  
9 Collector shall, in such instance, impose a penalty of 25 percent on the total amount of the  
10 Fee delinquent and refer the Operator to the Bureau of Delinquent Revenue for further  
11 collection and enforcement.

12  
13 Section 7. Effective and Operative Date.

14 (a) Effective Date. This ordinance shall become effective 30 days after enactment.  
15 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
16 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
17 Supervisors overrides the Mayor's veto of the ordinance.

18 (b) Operative Dates. This ordinance shall become operative on its effective date,  
19 except for those provisions of Sections 6.9-1, 6.9-3, and 905-A, that are (1) amendments  
20 contained in Proposition E (November 6, 2012) or (2) additional amendments shown in this  
21 ordinance. Both categories of amendments to those sections shall become operative on  
22 January 1, 2014.

23  
24 Section 8. Severability of Ordinance Provisions; Construction of Ordinance.  
25



1 (a) If any section, sentence, clause, phrase, or portion of this ordinance is for any  
2 reason held to be invalid or unenforceable by a court of competent jurisdiction, the remaining  
3 sections, sentences, clauses, phrases, or portions of this ordinance shall nonetheless remain  
4 in full force and effect. The Board of Supervisors of the City and County of San Francisco  
5 hereby declares that it would have adopted each section, sentence, clause, phrase, or portion  
6 of this ordinance, irrespective of the fact that any one or more sections, sentences, clauses,  
7 phrases, or portions of this ordinance be declared invalid or unenforceable and, to that end,  
8 the provisions of this ordinance are severable.

9 (b) No section, clause, part or provision of this ordinance shall be construed as  
10 requiring the payment of any tax that would be in violation of the Constitution or laws of the  
11 United States or of the Constitution or laws of the State of California.

12  
13 Section 9. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
14 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
15 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
16 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
17 additions, and Board amendment deletions in accordance with the "Note" that appears under  
18 the official title of the ordinance. In accordance with Section 1 of this ordinance, it is the  
19 Board's intent to amend the text of Section 6.9-1, 6.9-3, and 905-A.

20  
21 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

22  
23 By: JEAN H. ALEXANDER  
Deputy City Attorney

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25







**LEGISLATIVE DIGEST**

[Business and Tax Regulations Code – Miscellaneous Changes]

**Ordinance amending the Business and Tax Regulations Code by, among other things:** 1) amending the Common Administrative Provisions to require monthly installment payments rather than prepayments of hotel and parking taxes, eliminate the requirement for annual parking tax bond renewal, provide a due date for business registration fees, exclude penalties from the calculation of interest on tax determinations, add a substantial underreporting penalty for failure to file a return when the tax liability exceeds \$5,000, and change the penalty for failure to register or update a registration, making misstatements in registration, failure to allow inspection of or to produce records, and failure to file a return; 2) amending the Tax on Occupancy of Parking Space in Parking Stations to eliminate the pre-payment Revenue Control Equipment certification; 3) amending Business Registration provisions to require a copy of the business registration certificate rather than a business tax registration tag be displayed on company vehicles, and to eliminate the Tax Collector's authority to suspend a business registration certificate; 4) amending the Payroll Expense Tax Ordinance to provide that interest applies to unpaid penalties but not unpaid fees and interest, and to change the date that the Office of Economic and Workforce Development must provide the Tax Collector a list of persons eligible to claim the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion; and 5) amending Parking Stations, Revenue Control Equipment to specify the date the Revenue Control Equipment Compliance Fee is due.

**Existing Law**

The Treasurer/Tax Collector administers the City's taxes pursuant to the Common Administrative Provisions in Article 6 of the San Francisco Business and Tax Regulations Code. The Common Administrative Provisions impose on taxpayers and businesses specific requirements regarding collecting, reporting and remitting taxes. They also contain provisions describing the refund, audit and enforcement processes. The Common Administrative Provisions apply to Article 7: Tax on Transient Occupancy of Hotel Rooms, Article 9: Tax on Occupancy of Parking Space in Parking Stations, Article 10: Utility Users Tax, Article 10B: Access Line Tax, Article 11: Stadium Operator Admission Tax, Article 12: Business Registration, Article 12-A: Payroll Expense Tax, Article 12-A-1: Gross Receipts Tax Ordinance, Article 12-B: Business Tax Refund of the Business and Tax Regulations Code, and to Chapter 105 of the Administrative Code: Cigarette Litter Abatement Fee Ordinance.



### Amendments to Current Law

This Ordinance amends the Business and Tax Regulations Code, Common Administrative Provisions to add cross-references to the Gross Receipts Tax Ordinance, enacted in November 2012, correct clerical errors, and make miscellaneous administrative changes. The administrative changes include deleting references to "prepayments" and providing for monthly installments instead, deleting the requirement that the taxpayer renew its parking tax bond annually, providing a due date for business registration fees, excluding penalty amounts from the calculation of interest on tax determinations, adding a substantial underreporting penalty for failure to file a return when the tax liability exceeds \$5,000, and changing the penalty from the amount of the annual registration fee to the greater of \$100 or the amount of the penalty for underreporting tax for failure to register or update a registration, making misstatements in registration, failure to allow inspection of or to produce records, and failure to file a return.

This ordinance revises the requirement that certain taxpayers display a business tax registration tag on company vehicles to require that the taxpayer instead display a copy of its business registration certificate. The ordinance eliminates the Tax Collector's authority to suspend a business's registration certificate.

This ordinance amends the Payroll Expense Tax Ordinance to provide that interest applies to unpaid penalties but not unpaid fees and interest, and to change the date that the Office of Economic and Workforce Development must provide the Tax Collector with a list of persons eligible to claim the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion.

This ordinance also specifies the date the Revenue Control Equipment (RCE) Compliance Fee is due and deletes the pre-payment RCE certification.

### Background Information

Proposition E was enacted by the voters at the election on November 6, 2012, and shall become operative on January 1, 2014. In addition to imposing a gross receipts tax, Proposition E made changes to the payroll expense tax, the business registration fee, and the common administrative provisions of the Business and Tax Regulations Code (BTRC.) This ordinance amends the BTRC to facilitate tax administration, following the passage of Proposition E. It also corrects clerical errors, and makes miscellaneous administrative changes.

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, September 9, 2013  
5:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

GOVERNMENT  
DOCUMENTS DEPT

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

SEP 18 2013

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**1. Call to order and roll call.**

The meeting was called to order at 5:40 pm. Commissioners Adams, Dwight, Yee Riley, and White were present. Commissioner O'Brien arrived at approximately 5:42 pm, after action on Items 1-5. Commissioners Dooley and Ortiz-Cartagena were absent-excused.

**2. General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

**3. Approval of the May 6, 2013 meeting minutes.**

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dwight, Yee Riley, and White

Nay: None

Absent: Dooley, O'Brien, and Ortiz-Cartagena

**4. Approval of the July 22, 2013 meeting minutes.**

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dwight, Yee Riley, and White

Nay: None

Absent: Dooley, O'Brien, and Ortiz-Cartagena

**5. Approval of the August 12, 2013 meeting minutes.**

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley

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1 DR. CARLTON B. GOODLETT PLACE, #110  
SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



Aye: Adams, Dwight, Yee Riley, and White

Nay: None

Absent: Dooley, O'Brien, and Ortiz-Cartagena

**6. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130789 [Health Code—Licensing and Regulation of Massage Establishments and Practitioners]**

Supervisor Katy Tang, legislative sponsor, presented. Sup. Tang outlined the major elements of her proposal. The legislation was developed in response to neighborhood demands to counter rogue massage operators. The way the legislation is drafted, it is intended to counter human trafficking while avoiding further victimization of those already trafficked. She pointed out that no new violations or fee increases were proposed, but that this legislation simply codifies existing recommended enforcement actions to enable more responsive enforcement by Department of Public Health (DPH) inspectors.

Scott Nakamura, Massage Program Manager at DPH, briefly described existing local massage practitioner licensing procedures and their differences from state-level certification. In response to an inquiry from Commissioner O'Brien, Mr. Nakamura explained that he feels this legislation will help greatly in enforcement actions against illicit massage operations.

Several commissioners presented questions to Supervisor Tang. Commissioner Yee Riley asked what was limiting the Police Department from making prostitution arrests under current regulations. Sup. Tang explained that the problem was complex, but two major contributing factors were state-level changes to massage regulation in 2008 that significantly limited local authority, and a lack of codified penalties in the Health Code to address a myriad of questionable activities at massage establishments. The former is being addressed through engagement with State legislators, while the latter is being addressed with this legislation.

Commissioner Dwight inquired regarding legal authority for landlords to evict tenants found to be conducting illegal business operations. Sup. Tang described the landlord notification provision of her proposed legislation as an important component of including property owners in the solution strategy, especially considering federal law that holds landlords accountable for illegal activity on property they own. Commissioner Dwight also asked if any legitimate massage operators objected to the legislation. Sup. Tang stated that during drafting of the legislation, she reached out to legitimate massage establishments to solicit their feedback. They do not feel this will burden them in any way, and they are very concerned about establishing and maintaining a good reputation for their industry.

Commissioner White stated her recollection that State massage certification was more difficult to obtain than local certification. Sup. Tang clarified that while the number of educational hours for State certification is greater than in local licensing requirements, it does not require a test to demonstrate knowledge, and investigation and enforcement by the State against complaints of illegal massage activity has been minimal.

Public comment was called for and no members of the public appeared to speak.

Motion: Commissioner O'Brien motioned that the Small Business Commission recommend to the Board of Supervisors approval of BOS File No. 130789, as drafted.

2<sup>nd</sup>: Commissioner White

Aye: Adams, Dwight, O'Brien, Yee Riley, White

Nay: None

Absent: Dooley and Ortiz-Cartagena

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



**7. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130784 [Business and Tax Regulations Code - Administrative Changes]**

Greg Kato, Office of Treasurer & Tax Collector, presented on behalf of the legislative sponsor, Supervisor David Chiu. Mr. Kato outlined notable changes to regulations proposed in the legislation. He indicated there were several purposes of the legislation, including simplification of compliance, mitigating unintended consequences of certain regulations, and updating code references.

Commissioner Adams expressed his support for the changes pertaining to parking lot operators.

Commissioners Adams and Dwight asked about the business tax registration tag requirement for roofers' commercial vehicles. Mr. Kato stated there was no institutional knowledge in the Treasurer & Tax Collector's office to justify a continuing requirement for such a tag, and that roofers are the only trade subject to the current and proposed requirements.

Public Comment was called for and no members of the public appeared to speak.

Motion: Commissioner Yee Riley motioned that the Small Business Commission recommend to the Board of Supervisors approval of BOS File No. 130784, as drafted.

2<sup>nd</sup>: Commissioner Dwight

Aye: Adams, Dwight, O'Brien, Yee Riley, White

Nay: None

Absent: Dooley and Ortiz-Cartagena

**8. Directors Report.**

The Director provided a written and verbal Director's report. Items of note included mention of businesses recognized by Healthy Mothers Workplace Coalition; upcoming surveys of Small Business Assistance Center performance; upcoming gross receipt tax outreach efforts; ongoing work surrounding coordination of the federal Affordable Care Act and local Healthcare Security Ordinance, including announcement of the Mayor's Universal Healthcare Council; upcoming kick-off of online business portal development; announcement of the final Wage Theft Task Force meeting; Shop Small campaign marketing; Planning Department formula retail study request for proposals (RFP) review; upcoming hearing by Supervisor Wiener on double parking; and, upcoming Office of Small Business presentations, workshops, and conferences. Director Dick-Endrizzi noted that updates on committee activities will be presented at the Commission's meeting on September 23, 2013.

**9. President's Report.**

President Adams informed the Commission of the Council of District Merchants Association's mixer event taking place the next evening on Tuesday, September 10, 2013, at Anchor Brewing Company.

**10. Vice-President's Report.**

Nothing to report.

**11. Commissioner Reports.**

Commissioner Yee Riley announced a Mandarin-language start-up business training event to be held at the Small Business Administration's offices at 455 Market St. on Saturday, September 21, 2013.

Commissioner O'Brien announced a new procedure at the Department of Building Inspection (DBI), effective September 3, 2013, whereby permit applicants may now pay San Francisco Unified School

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District Developer Impact Fees at DBI's office at 1660 Mission St., rather than traveling to the school district's offices on Van Ness Ave.

Commissioner Dwight announced that he represented the Commission at the August 27 meeting of the San Francisco Chamber of Commerce's Small Business Advisory Council meeting. Major discussion topics included formula retail regulations and streetscaping projects.

## **12. General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

## **13. New Business.**

Commissioner Adams requested an update towards the end of the year with respect to the interaction of the Affordable Care Act and Healthcare Security Ordinance, once more is known about how these will be implemented.

Commissioner Yee Riley requested a presentation by Larry Lo Chinese Community Health Plan regarding the Affordable Care Act (ACA). Director Dick-Endrizzi noted that Mr. Lo's organization has received grant funds for public outreach pertaining to Covered California, the state's implementation of the federal ACA.

## **14. Adjournment.**

Motion: Commissioner White motioned to adjourn in honor of Commissioner Adams's mother.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, O'Brien, Yee Riley, White

Nay: None

Absent: Dooley, Dwight (departed meeting after Item 13, at approximately 6:34 pm), and Ortiz-Cartagena

The meeting was adjourned at 6:35 pm.

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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY













SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, September 23, 2013

2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco CA 94102

GOVERNMENT  
DOCUMENTS DEPT

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

SEP 18 2013

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7/22/13
1. **Call to order and roll call:**
  2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
  3. **Approval of the September 9, 2013 meeting minutes: Explanatory Documents:** Draft September 9, 2013 minutes. (Action Item).
  4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130781 [Special Tax Financing Law]** Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district. Explanatory Documents: BOS File No. 130781 (PDF), BOS File No. 130781 Legislative Digest (PDF). Presentation by Patrick Otellini. (Discussion and Possible Action Item)
  5. **Presentation and Discussion on Mobile Retail and Services.** The presentation will provide the Commission an update on the status of the development of the Mobile Retail and Services program. Presentation by Christian Murdock, Office of Small Business. (Discussion Item)
  6. **Presentation and Discussion on Affordable Care Act "Covered California" and "Small Business Health Insurance Options Program (SHOP)" Marketplaces.** Presentation by Larry Loo, Chinese Community Health Plan. (Discussion Item)
  7. **Legislative and Policy Committee Report:** Allows the Chair to report on recent committee activities and make announcements (Discussion and Possible Action Item)
  8. **Outreach Committee Report:** Allows the Chair to report on recent committee activities and make announcements (Discussion and Possible Action Item)
  9. **President's Report:** Allows the President to report on recent small business activities and make

SMALL BUSINESS COMMISSION  
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SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



10. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
12. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
13. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission (Discussion Item).
14. **Adjournment:** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Chris Schulman at (415) 554-6408 to make arrangements for pick up or review.

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## **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### **Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings**

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Disability Access Policy**

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### **Translation Services**

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### **Chemical Sensitivity**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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## Legislation for Commission Review

BOS File No: 130781

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Title: Administrative Code – Special Tax Financing Law

### Legislation Overview:

Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments; and to establish certain procedures by which the City can make changes to a special tax district. The Special Tax District is currently not authorized to allow the financing of earthquake retrofit work for wood-framed structures as required under Section 34B of the Administrative Code, which requires the mandatory earthquake retrofit of certain wood-framed buildings.

Sponsor(s): Mayor Lee, Supervisors Katy Tang and Scott Wiener

Date Introduced: 7/30/2013 (Amended in Committee: 9/16/2013)

Date Referred: 8/23/2013

Committee Assigned: Land Use and Economic Development Committee. Heard on 9/16/13 and passed out of Committee with a "positive" support.

### Description:

1. Amends existing special tax financing provisions in Administrative Code Article 43.10 to allow the voluntary financing of seismic safety upgrades in existing buildings, including privately-owned buildings.
2. Currently, only energy efficiency, water conservation, and renewable energy improvements are eligible for special tax financing.
3. Prohibits special tax financing for dismantling of an existing building or the construction of a new building.
4. Financing of private property improvements may only be provided with written approval of the property owner(s).
5. Provides that work performed on qualified historical buildings must be done in accordance with the State Historical Building Code.
6. Creates a procedure for future changes to the special tax district to be made without legislative action upon unanimous approval of affected property owners and with written consent of the City and County.

### Leg and Policy Committee:

Legislation was scheduled for Land Use and Economic Development Committee prior to Legislation and Policy Committee's availability to review it.

### Staff Analysis:

### Departments/Organizations to Consult:

Director of Earthquake Safety will present at commission meeting on 9/23/2013.







## LEGISLATIVE DIGEST

[Administrative Code - Special Tax Financing Law]

**Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district.**

### Existing Law

The Board of Supervisors previously established its "City and County of San Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the "Special Tax District") for the purpose of financing and refinancing the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on real property and in buildings, whether such real property or buildings are privately or publicly owned. The Special Tax District was formed under the Special Tax Financing Law, constituting Article 43.10 of the Administrative Code.

The Special Tax District is currently not authorized to allow the financing of earthquake retrofit work for wood-framed structures as required under Section 34B of the Administrative Code, which requires the mandatory earthquake retrofit of certain wood-framed buildings.

### Amendments to Current Law

The proposed Ordinance would amend Article 43.10 of the Administrative Code to allow financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with City seismic safety standards or regulations (Article 34B of the Administrative Code). The new regulations impose seismic retrofit requirements on certain residential buildings with critically vulnerable lower stories to significantly reduce the risk of collapse and increase the likelihood that these buildings will be structurally safe to occupy shortly after an earthquake.

The Ordinance would allow the San Francisco Sustainable Financing District, originally formed to finance and refinance the acquisition, installation and improvement of energy efficiency, water conservation and renewable energy improvements to or on privately owned buildings, to finance the costs of seismic retrofit improvements imposed by Article 34B of the Administrative Code. The Ordinance requires the financed seismic work to be certified by local building officials, and provides that no project involving the dismantling of an existing building or the construction of a new building may be financed under the Ordinance. Historic structures must be done in accordance with State Historic Building Code.

The Ordinance also sets forth alternative procedures by which the Board may adopt changes to special tax districts.







[Administrative Code - Special Tax Financing Law]

Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments; and to establish certain procedures by which the City can make changes to a special tax district.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in ~~strikethrough italics Times New Roman font~~. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in ~~strikethrough Arial font~~. Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds, determines and declares:

A. In its Ordinance No. 66-13, the Board of Supervisors made certain findings, which findings are incorporated in their entirety herein, and amended the San Francisco Building Code to add Section 34B to establish seismic retrofit requirements intended to significantly reduce the collapse risk of residential buildings with critically vulnerable lower stories and to increase the likelihood that these buildings will be structurally safe to occupy shortly after an earthquake.



1           B.     The Board of Supervisors intends to provide to owners of buildings in the City  
2     that are subject to a seismic retrofit requirement options for financing the work, including the  
3     ability to participate in a voluntary special tax financing program.

4           C.     In order to provide the option of voluntary special tax financing for seismic  
5     retrofit work, the Board of Supervisors must make certain amendments to Article X of Chapter  
6     43 of the Administrative Code.

7           D.     The Board of Supervisors previously established its "City and County of San  
8     Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the  
9     "Special Tax District") for the purpose of financing and refinancing the acquisition, installation  
10    and improvement of energy efficiency, water conservation and renewable energy  
11    improvements to or on real property and in buildings, whether such real property or buildings  
12    are privately or publicly owned.

13          E.     The Board of Supervisors wishes to amend the proceedings for the Special Tax  
14    District to allow the financing of seismic retrofit work required under Section 34B, and must  
15    make certain amendments to Article X of Chapter 43 of the Administrative Code to accomplish  
16    the proposed amendments to the Special Tax District proceedings.

17  
18          Section 2.     Article X of Chapter 43 of the San Francisco Administrative Code is  
19    hereby amended as follows:

20          A.     Section 43.10.15 is hereby amended as follows:

21          SEC. 43.10.15.     AUTHORIZED FACILITIES.

22          In addition to the facilities that may be financed under the Act, special taxes may be  
23    levied and bonds may be issued to finance or refinance the acquisition, installation and  
24    improvement of energy efficiency, water conservation, water pollution control, and renewable  
25    equipment with an estimated useful life of five years or longer and/or energy efficiency, water



1 conservation, water pollution control, and renewable energy improvements that are attached  
2 to or on real property and in buildings, whether such real property or buildings are privately or  
3 publicly owned. Energy efficiency, water conservation, water pollution control and renewable  
4 energy improvements may only be installed on a privately owned building and on privately  
5 owned real property with the prior written consent of the owner or owners of the building or  
6 real property.

7 In addition to the Facilities that may be financed under the Act, special taxes may be levied and  
8 bonds may be issued to finance work deemed necessary to bring buildings or real property, including  
9 privately owned buildings or real property, into compliance with seismic safety standards or  
10 regulations. Only work certified as necessary to comply with seismic safety standards or regulations by  
11 local building officials may be financed. No project involving the dismantling of an existing building  
12 and its replacement by a new building, nor the construction of a new or substantially new building may  
13 be financed pursuant to this subparagraph. Work on qualified historical buildings or structures shall be  
14 done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section  
15 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be  
16 financed with the prior written consent of the owner or owners of the privately owned property.

17 B. A new Title 5 is added to read as follows:

18 TITLE 5 - CHANGE PROCEEDINGS

19 SEC. 43.10.26. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS  
20 AFFECTING PROPERTY OWNERS.

21 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
22 independent procedure for making the changes described in Section 53330.7 of the Act, the changes  
23 may be made with the unanimous approval of the owner or owners of the parcel or parcels that will be  
24 affected by the change and the written consent of the local agency. No additional hearings or  
25 procedures are required, and the unanimous approval shall be deemed to constitute a unanimous vote



1 in favor of the proposed changes. If the proceeds of a special tax are being utilized to retire any debt  
2 incurred pursuant to this chapter and the unanimous approval relates to the reduction of the special tax  
3 rate, the unanimous approval shall recite that the reduction or termination of the special tax would not  
4 interfere with the timely retirement of that debt.

5 SEC. 43.10.27. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS NOT  
6 ADVERSELY AFFECTING TAXABLE PROPERTY IN THE SPECIAL TAX DISTRICT.

7 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
8 independent procedure to those set forth in Sections 53331-53338 of the Act for making changes to the  
9 special tax district when the Board of Supervisors finds that no taxable property in the special tax  
10 district will be adversely affected by the changes, including but not limited to a change in the types of  
11 authorized public facilities or services which should be financed by an established special tax district, a  
12 change in the authorized amount of bonded indebtedness for the special tax district, a change in the  
13 rate or method of apportionment of a special tax, or the addition of a new special tax, the Board of  
14 Supervisors shall comply with the following requirements shall apply:

15 (a) The Department or Supervisor proposing the changes to the special tax district  
16 shall introduce at the Board of Supervisors a resolution stating those changes. At the time the  
17 sponsoring Department or Supervisor submits the resolution to the Clerk of the Board of  
18 Supervisors for introduction, the sponsoring Department or Supervisor shall provide written  
19 notice to the Clerk informing the Clerk that the alternate procedure and notice requirements in  
20 this Section apply to the resolution.

21 (b) Before adopting the resolution, but no sooner than 14 days after the introduction  
22 of the resolution, the Board of Supervisors or a committee of the Board of Supervisors shall  
23 hold a public hearing on the resolution. At the hearing, any person interested, including  
24 persons owning property within the area, may appear and present any matters material to the  
25 questions set forth in the resolution.



(i) The Board of Supervisors shall adopt a resolution (A) declaring the intent to make changes to a special tax district, (B) finding that the proposed changes serve the public interest and will not adversely affect any taxable property in the special tax district, and (C) calling for a public hearing on the matter, which public hearing shall be held no sooner than 14 days after the adoption of the resolution described in this subsection (i).

(ic) The Clerk of the Board of Supervisors shall publish a notice of the public hearing one time in a newspaper of general circulation published in the area of the special tax district at least 7 days prior to the public hearing. The notice shall contain all of the following information:

(Ai) The text or a summary of the proposed resolution adopted pursuant to the preceding subsection (i); the notice may refer to documents on file in the office of the Clerk of the Board of Supervisors for detail.

(Bii) The time and place of the hearing.

(Ciii) A statement that at the hearing the testimony of all interested persons, including all persons owning property in the area, for or against the changes, will be heard.

(iii) The Board of Supervisors must hold a public hearing on the subject of the proposed changes. At the hearing any person interested, including persons owning property within the area, may appear and present any matters material to the questions set forth in the resolution described in the preceding subsection (i).

(ivd) After holding the public hearing, the Board of Supervisors City may adopt a resolution making the proposed changes to the special tax district as long as it concludes that the public interest, convenience and necessity would be served by the proposed changes, that the changes would not adversely affect any taxable property in the special tax district and that the changes would not adversely affect the owners of any outstanding bonds that are payable from special taxes levied in the special tax district.



1           ~~(ve)~~ After adopting the resolution described in this section, ~~the preceding subsection (iv),~~  
2           the Board of Supervisors shall adopt an ordinance amending any prior ordinance levying special taxes  
3           in the Special Tax District to reflect the changes to the special tax district.

4  
5           Section 3. Effective Date. This ordinance shall become effective 30 days after  
6           enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
7           ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
8           of Supervisors overrides the Mayor's veto of the ordinance.

9  
10          Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
11          intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
12          numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
13          Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
14          additions, and Board amendment deletions in accordance with the "Note" that appears under  
15          the official title of the ordinance.

16  
17  
18          APPROVED AS TO FORM:  
19          DENNIS J. HERRERA, City Attorney

20          By: \_\_\_\_\_  
21                MARK D. BLAKE  
              Deputy City Attorney

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23  
24  
25



# Small business

## FACT SHEET



### New options for health coverage

#### **The federal Patient Protection and Affordable Care Act was passed in 2010 to increase the number of Americans covered by insurance.**

With almost half of all Americans receiving their health insurance from their employer, small businesses play an important role in fulfilling the goals of the Affordable Care Act. Most business owners recognize the competitive advantages of providing high-quality health insurance to their employees. Offering health coverage helps recruit and retain the best talent and keeps employees healthier, happier and more productive.

The Affordable Care Act created a number of provisions to encourage more employers to cover their employees. Those provisions include making insurance more affordable and easier to purchase. To help small businesses gain greater access to new health plan options, Covered California™ will open a new health insurance marketplace later this year. Small businesses will have unprecedented access to a range of health plan choices, including group plans you might think are offered only to large companies.

### **Covered California's small business health options program**

Covered California is developing a marketplace specifically designed for small businesses with 50 or fewer full-time equivalent employees.

This marketplace will make it easier to compare a variety of qualified, competing health plans from private insurance companies. Through Covered California, small businesses will be able to offer multiple plans to their employees, something that few small employers have been able to do easily until now.



For businesses with 50 or fewer full-time equivalent employees, Covered California is scheduled to conduct open enrollment later this year for coverage that will begin on January 1, 2014. In 2015, Covered California will begin offering health plans to employers with 100 or fewer full-time equivalent employees. You can enroll

in health plans offered by Covered California throughout the year. Unlike the individual marketplace, there is no designated open-enrollment period, giving you the option to either enroll according to your policy's renewal date or whenever you choose.

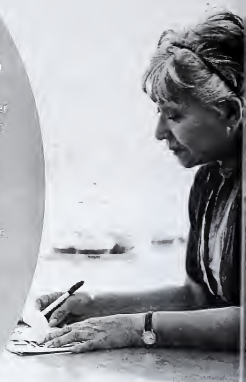


## Tax credits for small businesses

As a small business owner, you may qualify for a tax credit to help offset your contribution to your employees' premium payment. There are two phases of tax credits. Starting in 2010 and lasting through tax year 2013, there is a tax credit for businesses with 25 or fewer full-time equivalent employees who are paid an average annual salary of less than \$50,000 a year. During this first phase, qualifying employers can receive a tax credit of up to 35 percent of premium expense (24 percent for nonprofits). Starting in 2014, the maximum tax credit increases to 50 percent (35 percent for nonprofits) and is available for a total of two consecutive years. Generally, businesses with fewer than 10 full-time equivalent employees and wages averaging less than \$25,000 a year will qualify for the highest credits.

To qualify for any tax credit, employers must pay at least 50 percent of employee premium costs.

To learn more about tax credits, please consult our Tax Credits for Small Businesses Fact Sheet, which is also available at [www.CoveredCA.com](http://www.CoveredCA.com).



## Examples of small businesses receiving tax credit for health insurance

	Beauty Shop with 10 Employees	Restaurant with 40 Part-Time Employees
Business	Main Street Hair	Downtown Café
Employees	10 full-time equivalent employees	40 half-time employees (equivalent to 20 full-time workers)
Wages	\$250,000 total, or an average of \$25,000 per employee	\$500,000 total, an average of \$25,000 per full-time equivalent worker
Employee Health Insurance Cost	\$70,000	\$140,000
2013 Tax Credit	\$24,500 (35%)	\$28,000 (12% credit)
2014 Tax Credit	\$35,000 (50%)	\$40,000 (17% credit)

## Advantages of employer-sponsored health plans

Employer-sponsored health insurance is valuable for a number of reasons. People who are insured are protected against uncertain and high medical expenses. They are more likely to receive needed and appropriate health care. Health insurance also improves health outcomes and lowers mortality, so employees with health insurance are more likely to be productive workers.

Many small businesses choose to offer health insurance as an additional benefit to attract employees. It is an attractive option to offer because of the favorable tax treatment to both employer and employee.

For these reasons and others, many small employers already offer health coverage. Employers with 50 or more full-time equivalent employees that do

not offer affordable insurance or offer coverage that does not meet minimum standards will be subject to penalties starting in January 2014. Businesses with fewer than 50 full-time equivalent employees that do not provide health coverage will not face a penalty but will have new options that make providing insurance to employees even more attractive.



## Health plans for your employees

Your employees will have access to a range of health plans based on the decisions you make and the criteria you establish.

One of the decisions you will make is the level of coverage, or how much a health plan will cover for medical expenses. To help you make that determination,

all health plans starting in 2014 will be classified into one of four categories: bronze, silver, gold and platinum.

The rankings are designed so that as the category increases in value, so does the percent of medical expenses that a health plan will cover. This means that the platinum-level plans will cover the highest percentage of health care expenses incurred at the time of medical

care. The health plans that cover the greatest percentage of health care expenses also usually have higher premium payments. You can choose a plan with a higher premium but lower costs at the time of medical care. Or you can choose a plan with a lower premium but higher costs at the time of medical care.

These new rankings allow you to easily compare different plans within each category.

Plans will be available through Covered California that provide coverage for employees' dependents although these will cost more. You can decide to contribute toward such a plan, or you can encourage your employees to contact Covered California to buy individual coverage for their family members.

There are many new and exciting health coverage options for small businesses. Covered California can help you discover the right ones for you and your employees.

## Simplified solutions, greater choice

Covered California will help you provide affordable insurance to your employees and make it easy to manage.

- **Easy comparisons.** Covered California lets you easily compare and contrast a variety of health plans offered by private insurers that will be rated and underwritten by a new set of consumer-friendly rules. Everything you need is available online, by phone or in person.
- **Expanded and affordable choices.** Covered California levels the playing field by giving you access to more plans that are part of an insurance pool made up of all small businesses in California, offering many of the advantages of large-business insurance pools. Those advantages include purchasing power, lower costs, reduced premiums and more health plan choices. Covered California also will provide expert counsel to help small businesses identify the plans that work best for them and be a resource for private insurance agents.
- **Predictable costs.** Regardless of which plans your employees choose, your costs will remain constant because you control the amount of your contribution. Your employees might choose a higher-cost or higher-coverage plan, but your costs will stay the same, giving you a highly predictable health insurance budget.
- **Simple administration.** Covered California will make it easy to pay for insurance. Even if your employees choose different plans, you will only need to issue a single payment. Covered California will distribute the payment to cover your employees. We are also making it easy for you to keep working with your current insurance agent, who is welcome to provide counsel and enrollment support just as in the past. If you aren't working with an agent, Covered California can also provide expert advice.
- **Employer control.** You will be able to decide whether and when to participate in Covered California. You will be able to choose the level of coverage, the amount of your contribution toward your employees' coverage and any amount you may want to contribute to family or dependent care. Once you make these decisions, your employees then choose the plan that best meets their needs.



CoveredCA.com

Covered California is the new online "marketplace" that will make it simple and affordable to purchase high-quality health insurance and get financial assistance to help pay for insurance.







# Small business tax credit

## FACT SHEET



### Tax credits make employee insurance more affordable

The Patient Protection and Affordable Care Act includes a small business health care tax credit to help make employee health insurance more affordable. You may qualify for a tax credit to help offset the cost of enrolling your employees in health insurance.

By purchasing health insurance through Covered California™, you can choose from a range of health plans without the burden of additional administrative duties. Covered California is streamlining the process of choosing health plans and enrolling employees so you can focus on your business.

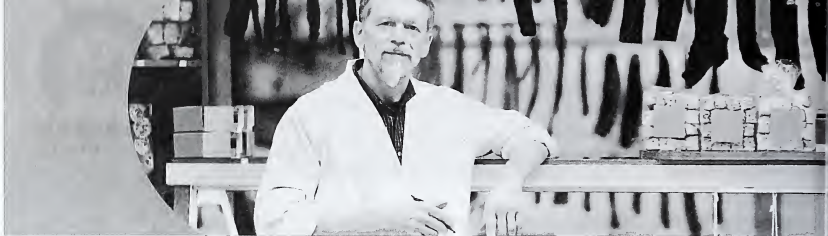


### Qualifying for the tax credit

Small businesses are eligible for a health care tax credit if they have 25 or fewer full-time equivalent employees for the tax year, pay employees an average of less than \$50,000 per year and contribute at least 50 percent toward employees' premium cost. This contribution requirement also applies to add-on coverage such as vision, dental and other limited-scope coverage.

Employers with 10 or fewer full-time equivalent employees with wages averaging \$25,000 or less are eligible for the maximum amount of tax credits. Nonprofit or tax-exempt employers must meet the same criteria as other small businesses and their tax credits will be somewhat lower.





## Determining tax credit amount and duration

The tax credit you receive as an employer will depend on a number of factors including the number of full-time equivalent employees and the amount you contribute toward insurance premiums. Tax credits are available for the tax year 2013 and become more generous starting in 2014. Tax credits are available for a total of two consecutive years.

The table below illustrates the two phases of tax credits to help employers — including tax-exempt employers — with 25 or fewer full-time equivalent employees cover premium costs.

	<b>Tax Year(s)</b>	<b>Maximum Tax Credit for Businesses as a Percentage of Insurance Premium Expenses</b>	<b>Maximum Tax Credit for Tax-Exempt Organizations as a Percentage of Insurance Premium Expenses</b>
Phase One	2010–2013	35%	25%
Phase Two	2014	50%	35%

The first phase covers tax years 2010–2013 and during that time, there is a sliding-scale tax credit of up to 35 percent of the employer's eligible premium expenses. For tax-exempt employers, the same employee and wage requirements apply, but the maximum tax credit is 25 percent of eligible premium expenses during the first phase.

The second phase begins in tax year 2014, when the maximum tax credit increases to 50 percent of premium expenses and coverage must be purchased from a state health insurance marketplace. The maximum credit for tax-exempt employers increases to 35 percent in 2014.

The amount of the tax credit cannot exceed the total income and Medicare tax the employer is required to withhold from employees' annual wages, plus the employer's share of the Medicare tax.

Later this year, there will be resources available from Covered California that will offer resources to help you understand your potential eligibility for tax credits.



**CoveredCA.com**

Covered California is the new online "marketplace" that will make it simple and affordable to purchase high-quality health insurance and get financial assistance to help pay for insurance.





**SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES**

**Monday, September 23, 2013  
2:00 P.M.**

**CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102**

**GOVERNMENT  
DOCUMENTS DEPT**

**SMALL BUSINESS COMMISSIONERS,**

**OCT - 3 2013**

Stephen Adams, President

Monetta White, Vice-President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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PUBLIC LIBRARY**

**1. Call to order and roll call:**

The meeting was called to order at 2:06 pm. Commissioners Adams, Dwight, O'Brien, Ortiz-Cartagena, and Yee Riley were present. Commissioner White arrived at approximately 2:12 pm, after consideration of Items 1-4. Commissioner Dooley was absent-excused.

**2. General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

**3. Approval of the September 9, 2013 meeting minutes.**

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dwight, O'Brien, Ortiz-Cartagena, and Yee Riley

Nay: None

Absent: Dooley and White

**4. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130781 [Special Tax Financing Law].**

The scheduled presenter was unable to attend the meeting due to unforeseen circumstances. Acting Commission Secretary Murdock suggested continuing the item to a future meeting.

Motion: Commissioner Dwight motioned to continue Item 4 to a future commission meeting.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dwight, O'Brien, Ortiz-Cartagena, and Yee Riley

Nay: None

**SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
415.554.6134**

**REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY**

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## **5. Presentation and Discussion on Mobile Retail and Services.**

Christian Murdock, Acting Commission Secretary and Business Case Manager, presented. Mr. Murdock updated the Commission on major program development activities since his initial presentation to the Commission in February. He described disabled access evaluations of trucks, merchant outreach efforts, potential retail and service groupings, and potential siting criteria, as well as next steps to finalize program development and introduce legislation.

Several commissioners asked questions of the presenter.

Commissioner Dwight asked if there were any cities where mobile retail was in place and working well. Mr. Murdock mentioned that mobile retail exists in several U.S. cities but he was not aware of a similar implementation to that being proposed in terms of the number of operating locations and breadth of possible business activities. Commissioner Dwight explained that he thought such an implementation would be difficult given the density of San Francisco and the number of existing right-of-way users, to include street parking and bicyclists. He also expressed concerns about blocking signage of existing traditional retailers.

Commissioner Yee Riley asked if staff had considered a permitting process like that utilized for the Street Artist Program. Mr. Murdock explained that staff had considered the Street Artist Program permitting process, but that staff did not see a good fit between it and the model for mobile retail and services.

Commissioner White asked if staff had conducted outreach and received feedback from existing brick-and-mortar businesses. Mr. Murdock explained that merchant outreach was a very important part of program development, and it was ongoing. He noted that program development has benefitted already from input and critiques from existing businesses.

Commissioner Dwight pondered whether there was some way to compromise between existing permitting of small sidewalk vendors and the introduction of large vehicles into commercial corridors for mobile retail and services. He expressed concerns that bringing such vehicles into commercial corridors will require strict standards on vehicle height, length, and width.

Commissioner O'Brien inquired whether parallels exist with the mobile food program permitting process. Mr. Murdock explained that mobile retail and services has a different operating model than mobile food, and similarities between the permitting processes would likely be limited.

Commissioner White inquired whether mobile retailers will be allowed to setup anywhere with a business registration. Mr. Murdock explained that currently mobile retailing is prohibited, although enforcement agencies are still unfamiliar with the restriction and their enforcement responsibilities.

Commissioner Ortiz-Cartagena expressed concerns about mobile retailers, especially those related to large existing retailers, cherry picking ideal sales periods and locations at the peril of existing small business merchants. Mr. Murdock explained that similar concerns had been communicated by traditional retailers during outreach, especially pertaining to the December holiday period. Staff is examining how to address these concerns, including possibly blackout dates for mobile activities.

Commissioner Dwight stated his opinion that most mobile retailers are marketing tools, since retailers need more substantial space and operating duration to be highly successful. He wondered how to best integrate mobile retail and service vehicles into traditional corridors as well as special events. Commissioner Dwight also inquired about penalties for violators of existing mobile retail restrictions, to which Mr. Murdock explained that these should be treated by enforcing agencies as any other violation of the Transportation Code, although knowledge of this is not yet widespread. Enforcement actions, to Mr. Murdock's knowledge, have thus far simply been a request to move along.

Commissioner Adams thanked staff for leading the effort to develop regulations, and get ahead of the mobile retail trend before problems become widespread.

Public comment was called for and one attendee requested to speak.

Dani Sheehan Myer, owner of Cliché Noe Gifts and representative of Noe Valley Merchants and Professionals Association, spoke in opposition to the introduction of mobile retail uses into Noe



Valley. She explained that the business climate is already challenging enough without introducing new competition. Retailers also are afraid that despite the best-intentioned and structured program, the City will be unable to enforce program restrictions, resulting in an undesirable mix of mobile operators on-street.

Commissioner Dwight inquired whether Ms. Sheehan Myer could see any formulation where mobile retail or services could benefit Noe Valley, citing his experience with a lack of banking services in the vicinity of his business. Ms. Sheehan Myer stated that personally, she thinks that may be a good opportunity for a mobile service, but that the Noe Valley merchants do not envision any favorable formulation of mobile retail or services in their corridor.

Commissioner White communicated her awareness of successful mobile retailing in events such as the urban market in the Bayview, or special events in Hayes Valley, where mobile uses attract foot traffic. She asked for clarification of whether Noe Valley merchants would be interested in incorporating mobile retail during special events. Ms. Sheehan Myer confirmed that Noe Valley merchants opposed mobile businesses in their corridor in all circumstances.

Commissioner O'Brien expressed concerns that mobile retailers might not contribute back to the local community, yet would utilize local services, as was raised as a concern previously with mobile food facilities.

Public comment was closed.

This item was a discussion item only and no action was taken.

#### **6. Presentation and Discussion on Affordable Care Act "Covered California" and "Small Business Health Insurance Options Program (SHOP)" Marketplaces.**

Larry Loo, Director of Business Development and Operations at Chinese Community Health Plan (CCHP), presented. The CCHP is an approved health care provider under both individual and SHOP (small business) marketplaces. Mr. Loo provided an overview of upcoming deadlines and requirements for individuals and small businesses, starting with the open enrollment period commencing on October 1, 2013, and ending March 31, 2014.

Several commissioners asked questions of the presenter.

Commissioner Yee Riley inquired about what coverage an individual could receive if he or she had no income, as well as what would happen to an individual that missed the open enrollment period. Mr. Loo answered that, if the individual filed a tax return showing no income, then he or she would likely be eligible for Medi-Cal coverage. Mr. Loo also explained that if an individual misses the open enrollment period, he or she would be barred from obtaining exchange coverage until the next open enrollment period or qualifying life event, and would be subject to a penalty for that tax year.

Commissioner O'Brien asked for confirmation whether the financial incentive for obtaining or providing coverage was a tax credit, or a tax deduction. Mr. Loo confirmed that the incentive was a tax credit.

Commissioner White pointed out that many people are confused about implementation timelines since the large employer mandate has been postponed. She confirmed that the individual mandate is still in place with open enrollment beginning October 1. Commissioner White then inquired whether the existing "manager carve-out" her business applies is still in effect under the Affordable Care Act. Mr. Loo indicated that may vary by insurance provider, and to check with her insurance advisor.

Commissioner Yee Riley asked what other outreach events CCHP plans to conduct. Mr. Loo stated that CCHP is integrating this information into its existing robust outreach program that it already conducts.

Public comment was called for and no members of the public appeared to speak.

This item was a discussion item only and no action was taken.

#### **7. Legislative and Policy Committee Report.**

Commissioner Adams reported that the committee at its last meeting had heard Board of Supervisors



File No. 130784 [Business and Tax Regulations Code – Miscellaneous Changes] and File No. 130789 [Health Code - Licensing and Regulation of Massage Establishments and Practitioners], recommending approval to the full Commission on both.

Public comment was called for and no members of the public appeared to speak.

**8. Outreach Committee Report.**

Commissioner Dwight reported that the committee at its last meeting had received a presentation from Office of Assessor-Recorder staff regarding business personal property tax. No action was taken.

Public comment was called for and no members of the public appeared to speak.

**9. President's Report.**

Commissioner Adams reported his attendance on September 10 at the San Francisco Council of District Merchants Association (CDMA) meeting at the Anchor Steam Brewery along with Commissioner Dwight, Director Dick-Endrizzi, and Acting Commission Secretary Murdock.

**10. Vice President's Report.**

Commissioner White relayed that she will attend tomorrow evening's Bayview Merchant Association meeting.

**11. Commissioner Reports.**

Commissioner Yee Riley reported that the joint Small Business Administration, Cathay Bank, and Small Business Development Center Chinese-language small business training event was a terrific success. Anticipated attendance was 20-30 people, while nearly 100 persons attended.

**12. General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

**13. New Business.**

None

**14. Adjournment.**

Motion: Commissioner Dwight motioned to adjourn.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, White

Nay: None

Absent: Dooley

The meeting was adjourned at 3:32 pm.













SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, October 7, 2013

5:30 P.M.

CITY HALL, ROOM 408

1 Dr. Carlton B. Goodlett Place, San Francisco CA 94102

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

1. **Call to order and roll call.**

2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

3. **Approval of the September 23, 2013 meeting minutes.** (Action Item).

Explanatory Documents: Draft September 23, 2013 minutes.

4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130888 [Authorizing the Office of Economic and Workforce Development to Identify and Recommend Small Businesses - Kiva Zip's Microlending Platform]:** Resolution authorizing the Office of Economic and Workforce Development to identify and recommend small businesses on behalf of the City and County of San Francisco for participation in a Microlending Program operated by Kiva Microfunds, a California non-profit public benefit corporation. (Discussion and Possible Action Item).

Explanatory Documents: BOS File No. 130888 (PDF).

Presentation by Jess Montejano, Legislative Aide to Supervisor Mark Farrell; and, Justin Renfro, Associate Manager of Business Development at Kiva Zip.

5. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130790 [Business and Tax Regulations and Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents]:** Ordinance amending the Business and Tax Regulations, and Police Codes to change the limits of Parking Tax Occupancy Simplification for residential properties by increasing, from five to 10, the number of parking spaces residential buildings may rent to non-residents and increasing the gross revenue they may earn from rent from \$4,000 to \$12,000 per quarter and from \$15,000 to \$40,000 annually; and making environmental findings. (Discussion and Possible Action Item).

Explanatory Documents: BOS File No. 130790 (PDF); BOS File No. 130790 Legislative Digest (PDF).

Presentation by Andres Powers, Legislative Aide to Supervisor Scott Wiener.

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

OCT - 3 2013



6. **Permitting Committee Report:** Allows the Chair to report on recent committee activities and make announcements. (Discussion and Possible Action Item).
7. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and announcements regarding small business activities. (Discussion Item).
8. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
9. **Vice-President's Report:** Allows the Vice-President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
10. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item).
11. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item).
12. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission. (Discussion Item).
13. **Adjournment.** (Action Item).

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Christian Murdock at (415) 554-6407 to make arrangements for pick up or review.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



1 [Authorizing the Office of Economic and Workforce Development to Identify and Recommend  
2 Small Businesses - Kiva Zip's Microlending Platform]

3 **Resolution authorizing the Office of Economic Workforce Development to identify and**  
4 **recommend small businesses on behalf of the City and County of San Francisco for**  
5 **participation in a Microlending Program operated by Kiva Microfunds, a California non-**  
6 **profit public benefit corporation.**

7  
8 WHEREAS, The City and County of San Francisco desires to create, encourage, and  
9 spur economic development and job creation within our local small business community; and

10 WHEREAS, The City and County of San Francisco works diligently to support local  
11 businesses with available resources from the city while also working with additional partners  
12 from outside the city to provide additional and adequate resources to the small business  
13 community; and

14 WHEREAS, Kiva is an innovative online microfinance platform that has provided over  
15 \$470 million in loans to over a million entrepreneurs world-wide since 2005 through its  
16 website, Kiva.org; and

17 WHEREAS, Kiva's loans, mostly in the developing world, have been crowdfunded by  
18 nearly a million individual lenders, who make these loans in increments as small as \$5; and

19 WHEREAS, At the end of 2011, Kiva launched a new program called Kiva Zip in the  
20 United States to directly connect Kiva lenders to small business entrepreneurs focused on  
21 economic and social need and thereby, furthering the City and County of San Francisco's  
22 goals of creating, encouraging, and spurring economic development and job creation; and

23 WHEREAS, The aim of Kiva Zip is to expand financial opportunities and access to  
24 capital for small business borrowers who otherwise lack them; reduce the cost of capital for  
25 borrowers who need it; and enhance connectedness between lenders and borrowers; and



1 WHEREAS, Kiva Zip relies on "Trustees" to identify and recommend small businesses  
2 to the Kiva Zip website where small businesses can become eligible to raise up to \$5,000 in  
3 crowdfunded capital at zero percent interest – with the opportunity to raise additional capital  
4 after the first loan is successfully paid in full; and

5 WHEREAS, Kiva Zip's program provides that such "Trustees" solely identify and  
6 recommend small businesses for the Kiva Zip platform, but do not finance, guarantee or have  
7 and fiduciary responsibilities to these small businesses; and

8 WHEREAS, Kiva Zip's program specifies that "Trustees" do not have any contractual  
9 obligation with any Kiva lender or borrower, do not hold onto anything of value for anyone's  
10 benefit, and have no financial responsibility for any Kiva Zip loans; and

11 WHEREAS, Over 12,000 lenders have loaned to United States entrepreneurs and  
12 small business owners on Kiva Zip; and

13 WHEREAS, Kiva Zip has helped entrepreneurs and small businesses access more  
14 than \$1 million in loan capital in just two short years; and

15 WHEREAS, 47% of the loans made on Kiva Zip have been to female entrepreneurs  
16 and over 50% of the loans made on Kiva Zip have been to ethnic minorities who typically face  
17 more severe financial exclusion; and

18 WHEREAS, the City and County of San Francisco desires to become a Kiva Zip  
19 "Trustee" and facilitate small business owners' access to zero percent interest loans on the  
20 Kiva Zip platform for businesses focused on social and economic need in San Francisco; and

21 WHEREAS, There is no cost whatsoever to the City and County of San Francisco in  
22 becoming a "Trustee;" and

23 WHEREAS, The City and County of San Francisco sees the partnership with Kiva Zip  
24 as an additional resource to help the small business community city-wide; and

25



1 WHEREAS, The City and County of San Francisco may utilize a recognized third party  
2 to review and recommend small businesses focused on economic and social need based on  
3 criteria established by Kiva; now, therefore, be it

4 RESOLVED, That the Board of Supervisors further authorizes the Office of Economic  
5 and Workforce Development to take any necessary actions to become a Trustee, including  
6 entering an agreement with Kiva, provided that the Board must approve any agreement that  
7 would be subject to approval under Charter Section 9.118.







[Business and Tax Regulations and Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents]

Ordinance amending the Business and Tax Regulations, and Police Codes to change the limits of Parking Tax Occupancy Simplification for residential properties by increasing, from five to 10, the number of parking spaces residential buildings may rent to non-residents and increasing the gross revenue they may earn from rent from \$4,000 to \$12,000 per quarter and from \$15,000 to \$40,000 annually; and making environmental findings.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in ~~strikethrough italics Times New Roman font~~. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in ~~strikethrough Arial font~~. Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 130790 and is incorporated herein by reference.



1           Section 2. The Business and Tax Regulations Code is hereby amended by revising  
2   Section 609, to read as follows:

3  
4           **SEC. 609. PARKING SPACE OCCUPANCY TAX SIMPLIFICATION FOR**  
5   **RESIDENTIAL PROPERTIES.**

6           **(a) Findings.**

7           (1) San Francisco's parking tax generates revenue for the City's general fund,  
8   which in turn funds the provision of many vital services for residents.

9           (2) Any person who rents parking space in a Parking Station, as defined in  
10   Article 9 of the Business and Tax Regulations Code, must collect parking tax from the  
11   individual parking the car and remit it to the City. Current City law treats large commercial  
12   operators of garages and small property owners the same for purposes of this tax.

13          (3) It is estimated that hundreds, if not thousands, of small property owners rent  
14   at least one parking space to non-residents, but do not register with the City or collect and  
15   remit parking tax.

16          (4) Many small property owners are ignorant of the legal requirements.

17          (5) Some small property owners may wish to comply with the law, but fear  
18   substantial tax liabilities, including penalties and interest, and therefore, do not come forward.

19          (6) The City desires to maximize the collection of required taxes.

20          (7) Therefore, in order to encourage small property owners to come forward, to  
21   register with the City, and to start collecting parking tax, this Ordinance will forgive taxes owed  
22   for tax periods ending before April 1, 2011.



1 (8) The Board of Supervisors finds that by providing a period of amnesty and by  
2 simplifying the registration process, many small property owners will begin to comply with the  
3 law, resulting in an overall increase in tax revenue remitted to the City.

4 (b) Notwithstanding any other provision of this Code, the owner or manager of a  
5 residential building, that operates a Parking Station that is a part of the residential building  
6 and, is located on the same parcel, or within 50 feet of the property line of the building, shall  
7 be relieved of certain requirements for Parking Stations as enumerated below, provided the  
8 owner or manager meets all of the requirements of and registers under Subsection (c) below.  
9 The aforesaid building owner or manager:

10 (1) Shall not be required to obtain a certificate of authority from the Tax  
11 Collector pursuant to Article 6, Section 6.6-1(a) or to execute a bond pursuant to Section 6.6-  
12 1(h), or to comply with any requirement to obtain insurance to operate a Parking Station.

13 (2) Shall not be required to make monthly tax ~~prepayments~~remittances pursuant to  
14 Section 6.9-3(a)(1), provided that the gross revenues of the Parking Station from Rent  
15 collected from individuals that do not reside at the property do not exceed ~~\$4,000~~\$12,000 in a  
16 quarterly reporting period or ~~\$15,000~~\$40,000 annually. At any time that the gross revenues of  
17 the Parking Station from Rent exceed ~~\$4,000~~\$12,000 during any quarterly reporting period, the  
18 building owner or manager must report and file monthly tax prepayments as required by  
19 Section 6.9-3(a)(1) beginning with the following month.

20 (3) Is registered under Subsection (c) below, and if eligible for parking tax  
21 simplification for a specific Parking Station, shall not be required to pay the Revenue Control  
22 Equipment Compliance Fee in Article 22, Section 2219.5 for that Parking Station.

23 (4) Shall not be required to hold a commercial parking permit under Section  
24 1215(b) of the Police Code.  
25



1 (c) In order to be eligible for the relief authorized under this Section, the building owner  
2 or manager must register for relief using a simple form prescribed by the Tax Collector for that  
3 purpose, and provide information required by the Tax Collector. The owner or manager shall  
4 demonstrate to the satisfaction of the Tax Collector that the residential property and Parking  
5 Station rentals meet all of the following requirements:

6 (1) No more than \$10 spaces in the Parking Station are rented to individuals  
7 who do not reside at the residential property.

8 (2) Spaces are rented to individuals who do not reside at the property on a  
9 monthly basis only.

10 (3) The building owner or manager complies with the Revenue Control  
11 Equipment requirements in Article 22, Section 2207.

12 (4) Total gross receipts from the rental of parking space to individuals who do  
13 not reside at the property ~~does~~ not exceed ~~\$4,000~~\$12,000 in any quarter or ~~\$15,000~~\$40,000  
14 annually.

15 (d) In addition, the owner or manager must:

16 (1) Maintain documents and records of all parking transactions in a manner  
17 acceptable to the Tax Collector. Such documents and records must objectively substantiate  
18 any relief claimed under this Section and be provided to the Tax Collector or designee upon  
19 request.

20 (2) Timely file with the Tax Collector annually a parking space occupancy tax  
21 return, regardless of the amount of tax liability shown on the return. All returns shall be filed  
22 by the due date set forth in Article 6 of the San Francisco Business and Tax Regulations  
23 Code.

24 (3) Any owner or manager who makes a material misrepresentation in a  
25 registration or fails to amend a registration within 7 days of a material change or who fails to



1 comply with a rule or regulation promulgated by the Tax Collector in a timely manner shall, in  
2 addition to any other liability that may be imposed under the provisions of this Article, be  
3 ineligible to claim relief under this Section.

4 (e) The Office of the Treasurer and Tax Collector may adopt forms, rules and  
5 regulations regarding the relief provided under this Section. The Tax Collector shall verify  
6 whether the applicant is entitled to the Parking Tax Simplification under this Ordinance.

7 (f) **Amnesty.**

8 (1) The building owner or manager who registers for relief under this Section  
9 between January 1, 2013 and June 30, 2013 and satisfies the eligibility requirements  
10 established in ~~Sub~~subsections 609(b) and (c) of this Article shall be eligible for amnesty from all  
11 fees, penalties and interest for failure to report and remit parking space occupancy tax due  
12 and payable prior to June 30, 2013 and shall, in addition, be eligible for amnesty from all  
13 parking space occupancy taxes for the tax periods ending before April 1, 2011, with the  
14 following exceptions:

15 (A) The Tax Collector may not waive any liability owed as a result of any  
16 jeopardy determination served on the taxpayer or other person determined to be liable  
17 pursuant to Article 6, Section 6.12-1 of this Code or any audit deficiency determination that  
18 has been reduced to a written notice of deficiency determination and served on the taxpayer  
19 or other person determined to be liable pursuant to Article 6, Section 6.11-2 of this Code prior  
20 to the effective date of this Ordinance.

21 (B) The Tax Collector shall not waive, under the authority of this Article,  
22 liabilities that the City has sought in any civil tax collection litigation commenced by the Tax  
23 Collector prior to the commencement of the amnesty application period.

24 (2) The Tax Collector shall waive all taxes, fees, penalties and interest owed for  
25 delinquent remittance of parking space occupancy taxes owed under the provisions of Articles



6 and 9 of the Business and Tax Regulations Code, but forgiven under this Section  
~~690(f)~~609(f), without need to make the findings required under Section 6.17-4.

(3) The Tax Collector shall waive all fees, penalties and interest owed for failure  
to collect and/or remit parking space occupancy taxes under Article 22 and Sections 6.17-1,  
6.17-2, and 6.17-3 of this Code.

(4) No proceeding to suspend or revoke a business registration certificate  
pursuant to Section 6.6-1 of this Code shall be initiated based on an owner's or manager's  
failure to collect or remit parking space occupancy taxes for which the Tax Collector has  
granted amnesty.

(5) No administrative proceeding or civil or criminal action on behalf of the City  
and County of San Francisco shall be brought against an owner or manager for any tax period  
for which the Tax Collector grants amnesty based upon the nonreporting, under-reporting,  
failure to remit parking space occupancy tax or the nonpayment of or failure to remit any taxes  
owed under the provisions of Article 22 of this Code.

(6) If the Tax Collector determines that the person registering for relief under  
this Section is delinquent in any taxes, fees or penalties owed to the City and County of San  
Francisco other than the parking tax, that person shall be ineligible to claim the relief under  
this ~~S~~subsection (f).

Section 3. The Police Code is hereby amended by revising Section 1215, to read as  
follows:

**SEC. 1215. COMMERCIAL PARKING PERMITS.**

(a) **Definitions.** The following definitions shall apply in Police Code Sections 2.9, 2.26  
and 1215 through 1215.7 and Business and Tax Regulations Code Section 22.

~~(f)~~ **Chief of Police.** The Chief of the San Francisco Police Department, or designee.



1       ~~(2)~~ **Commercial parking permit.** A permit the Chief of Police issues under this  
2 Section to operate a parking garage or parking lot.

3       ~~(3)~~ **Covered crimes.** The crimes of assault, battery, burglary, robbery, theft including  
4 identity theft, receipt of stolen property, breaking or removing parts from a vehicle, malicious  
5 mischief to a vehicle, unlawful use or tampering by bailee of a vehicle, altering a vehicle  
6 identification, tax fraud or evasion, and any offense related to the use of alcohol, narcotics or  
7 controlled substances while operating or in connection with a vehicle, committed anywhere in  
8 the United States of America.

9       ~~(4)~~ **Entertainment Establishment.** Any building, space, or structure operating under  
10 a "Place of Entertainment" permit issued pursuant to San Francisco Police Code Section 1060  
11 et seq. or operating under an "Extended Hours Premises" permit issued pursuant to San  
12 Francisco Police Code Section 1070 et seq.

13       ~~(5)~~ **Parking garage.** Any building or structure, or any portion of a building or structure,  
14 where members of the public may park or store motor vehicles for a charge. This definition  
15 does not include

16       ~~(A1)~~ any parking garage in a residential building or development that provides  
17 parking for a charge as a convenience or amenity for residents or their guests only;

18       ~~(B2)~~ any parking garage on San Francisco Unified School District property  
19 where a Qualified Nonprofit makes special event parking available to members of the public  
20 for a charge, pursuant to a Special School Parking Event Permit under Article 9, Section 608  
21 of the Business and Tax Regulations Code; and

22       ~~(C3)~~ any parking garage in a residential building that rents not more than five~~ten~~  
23 spaces to non-residents of the building on a monthly basis and is registered with the Tax  
24 Collector pursuant to Article 9, Section 609 of the Business and Tax Regulations Code.



1           ~~(6)~~ **Parking lot.** Any outdoor or uncovered space, including any plot, place, lot, parcel,  
2 yard or enclosure, or any portion of such a space, where members of the public may park or  
3 store motor vehicles for a charge. This definition does not include

4           ~~(41)~~ any outdoor or uncovered space that is part of a residential building or  
5 development that provides parking for a charge as a convenience or amenity for residents or  
6 their guests only;

7           ~~(B2)~~ any outdoor or uncovered lot on San Francisco Unified School District  
8 property where a Qualified Nonprofit makes special event parking available to members of the  
9 public for a charge, pursuant to a Special School Parking Event Permit under Article 9,  
10 Section 608 of the Business and Tax Regulations Code; and

11           ~~(C3)~~ any outdoor or uncovered space that is part of a residential building that  
12 rents not more than ~~five~~ 10 spaces to non-residents of the building on a monthly basis and is  
13 registered with the Tax Collector pursuant to Article 9, Section 609 of the Business and Tax  
14 Regulations Code.

15           ~~(7)~~ **Person.** Any individual, firm, company, corporation, partnership, joint venture,  
16 association, organization or other legal entity. When Sections 1215 through 1215.6 require a  
17 person to provide or list a name, the person must provide or list any prior names and aliases.

18           ~~(8)~~ **Prevailing Party.** Prevailing Party has the same meaning as set forth in California  
19 Code of Civil Procedure Section 1032, or any successor provision. "Prevailing Party" includes  
20 the City in actions where the City obtains an injunction and/or civil penalties or other monies  
21 under Sections 1215 through 1215.6 or under State law.

22           ~~(9)~~ **Qualified Nonprofit.** A volunteer led organization having a formally recognized  
23 exemption from income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code  
24 of 1986, as amended, and with a mission of benefitting one or more San Francisco public  
25 schools.



1 (b) **Permit Requirement.** Except as provided in this subsection (b), a person may not  
2 operate a parking garage or parking lot, directly or indirectly, unless the person holds a  
3 commercial parking permit issued by the Chief of Police. This Section requires a separate  
4 commercial parking permit for each parking garage and parking lot. The Chief of Police shall  
5 close immediately any parking garage or parking lot operating without the required  
6 commercial parking permit. A parking garage or parking lot that is registered with the Tax  
7 Collector pursuant to Article 9, Section 609, of the Business and Tax Regulations Code is not  
8 required to hold a commercial parking permit under this Section.

9 Notwithstanding the foregoing paragraph, a governmental entity operating a parking  
10 garage or parking lot on that governmental entity's property is not required to obtain a  
11 commercial parking permit for that parking garage or parking lot; however, any other person  
12 operating a parking garage or parking lot on a governmental entity's property must hold a  
13 commercial parking permit issued by the Chief of Police for each such parking garage and  
14 parking lot.

15 (c) **Annual Permit.** Each commercial parking permit shall authorize the permittee to  
16 operate the permitted parking garage or parking lot for one year from the date the Chief of  
17 Police issues the permit, unless the Chief of Police suspends or revokes the permit. Each  
18 commercial parking permit shall expire by operation of law at the end of the one-year period.  
19 Notwithstanding Section 2.10 of the Police Code, a permittee wishing to operate beyond the  
20 one-year permit term must obtain a new commercial parking permit before the existing permit  
21 expires.

22  
23 Section 4. **Effective Date.** This ordinance shall become effective 30 days after  
24 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
25



1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
2 of Supervisors overrides the Mayor's veto of the ordinance.

3  
4 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
5 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
6 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
7 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
8 additions, and Board amendment deletions in accordance with the "Note" that appears under  
9 the official title of the ordinance.

10 APPROVED AS TO FORM:  
11 DENNIS J. HERRERA, City Attorney

12 By:

JEAN H. ALEXANDER  
Deputy City Attorney

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## LEGISLATIVE DIGEST

[Business and Tax Regulations and Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents]

Ordinance amending the Business and Tax Regulations, and Police Codes to change the limits of Parking Tax Occupancy Simplification for residential properties by increasing, from five to 10, the number of parking spaces residential buildings may rent to non-residents and increasing the gross revenue they may earn from rent from \$4,000 to \$12,000 per quarter and from \$15,000 to \$40,000 annually; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

### Existing Law

Current law provides simplified parking tax reporting for the owner or manager of a residential building, who operates a Parking Station that is a part of the residential building, is on the same parcel, or is located within 50 feet of the property line of the building. Residential building owners and managers are relieved of the requirements to obtain a certificate of authority and a commercial parking permit, make prepayments, and pay the Revenue Control Equipment Compliance Fee. The owner or manager may rent no more than five spaces in the Parking Station to individuals who do not reside at the residential property and must meet all of the qualifications stated in the Ordinance. Gross revenue from renting parking space to individuals who do not live in the building may not exceed \$4,000 per quarter or \$15,000 annually. The Tax Collector must approve the application for parking tax simplification.

A building owner or manager that registered between January 1, 2013 and June 30, 2013 and was approved for Parking Tax Simplification is eligible for amnesty from liability for penalties, interest and fees due prior to June 30, 2013 and from all parking taxes due for periods ending before April 1, 2011.

Under the Planning Code, a building owner or manager is permitted to rent up to five parking spaces, in a Parking Station that has been approved for Parking Tax Simplification, to anyone that lives in the City, in addition to the parking that is currently permitted under the Code.

### Amendments to Current Law

This ordinance will increase the number of parking spaces that property owners and managers of residential buildings may rent to non-residents under the Parking Tax Simplification program from five spaces to 10 spaces. Five spaces may be rented to people living within 1250 feet of the building and an additional 5 spaces may be rented to anyone residing in San Francisco. The ordinance will increase the amount of gross receipts that the



owner or manager may earn renting parking spaces to non-residents from \$4,000 per quarter to \$12,000 per quarter and from \$15,000 annually to \$40,000 annually.

Background Information

In 2012, the City established parking space occupancy tax simplification for residential properties. Its purpose was to encourage small property owners to register with the City and to begin collecting and remitting parking tax. For the purposes of simplification, the City considered small property owners those who rented five parking spots or fewer and earned less than \$4,000 per quarter and \$15,000 per year. Many small property owners rent up to 10 parking spaces.

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SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES

Monday, October 7, 2013

5:30 P.M.

CITY HALL, ROOM 408

1 Dr. Carlton B. Goodlett Place, San Francisco CA 94102

GOVERNMENT  
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SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

OCT 25 2013

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1. **Call to order and roll call.**

The meeting was called to order at 5:35 pm. Commissioners Adams, Dooley, Dwight, and Ortiz-Cartagena were present. Commissioners O'Brien and Yee Riley arrived at approximately 5:41 pm and 5:43 pm, respectively, after consideration of Items 1-3. Commissioner Dwight departed the meeting before adjournment at 6:39 pm, during consideration of Item 10. Commissioner White was absent.

2. **General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

3. **Approval of the September 23, 2013 meeting minutes.**

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Ortiz-Cartagena

Aye: Adams, Dooley, Dwight, and Ortiz-Cartagena

Nay: None

Absent: O'Brien, Yee Riley, and White

4. **Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130888 [Authorizing the Office of Economic and Workforce Development to Identify and Recommend Small Businesses - Kiva Zip's Microlending Platform].**

Jess Montejano, Legislative Aide to Supervisor Mark Farrell, the legislative sponsor, presented. Mr. Montejano provided background on the Kiva.org organization, its Kiva Zip program, and described many challenges small businesses face when attempting to access capital. He explained the proposed resolution would authorize the Office of Economic and Workforce Development, through the Office of Small Business, to act as a trustee of the Kiva Zip program. Trustees are authorized to recommend

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

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small businesses for zero-percent interest loans crowd-funded by volunteer donors on Kiva Zip's website. Mr. Montejano clarified that the City would bear no financial, fiduciary, or other legal responsibility for loan repayment.

The next presenter was Justin Renfro, Associate Manager of Business Development at Kiva Zip. Mr. Renfro described the reach of Kiva Zip's program in the United States and Kenya. He also provided details of a typical small business owner's experience throughout the Kiva Zip program. Repayment terms are often flexible, and upon repayment, participants are eligible for subsequent rounds of funding.

All commissioners in attendance either commented or asked questions of Mr. Montejano and Mr. Renfro.

Commissioners Adams and Ortiz-Cartagena expressed their support for the Kiva Zip program. Commissioner Adams liked its strict program and debt-to-income ratios. Commissioner Ortiz-Cartagena endorsed the trustee-borrower relationship under Kiva Zip based on his experience participating in it as a mentor with Opportunity Fund and Mission Economic Development Agency (MEDA).

Commissioner Dwight inquired about the repayment terms, and expressed his interest in potentially becoming a trustee. He is aware of several businesses in Dogpatch that could immediately put this type of funding to good use. Commissioner Dwight also asked several other questions, confirming that the loan funding and repayment process was direct through Paypal, with no fee/commission.

Commissioners O'Brien and Yee Riley both inquired about the technology utilized to manage the loan program. Mr. Renfro confirmed that all aspects of loan application and administration are handled using the Kiva Zip website, Paypal, and e-mail.

Commissioner Yee Riley inquired further about how program overhead is funded, considering that the loans are zero-percent interest rate. Mr. Renfro explained that each donor is asked to provide a supplemental "tip" of \$2 on top of a donation to help fund overhead. That source covers a large portion of program expenses, with the remainder funded through traditional nonprofit donors.

Commissioner Dooley asked for clarification on how monitoring occurs after loan disbursement. Mr. Renfro explained that trustees remain engaged with businesses to monitor their progress and identify repayment problems before they become crises. Borrowers and trustees receive periodic email reminders of upcoming payment deadlines, and payment due dates can sometimes be shifted to accommodate hardships.

Director Dick-Endrizzi stated that detailed procedures for applicant review and recommendation are still under development.

Public comment was called for and no members of the public appeared to speak.

Motion: Commissioner Dwight motioned that the Small Business Commission recommend to the Board of Supervisors approval of BOS File No. 130888, as drafted.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, and Yee Riley.

Nay: None

Absent: Commissioner White

**5. Discussion and possible action to make recommendations to the Board of Supervisors on Board of Supervisors File No. 130790 [Business and Tax Regulations and Police Codes - Renting Parking Spaces at Residential Properties to Non-Residents].**

Item 5 was called in order on the agenda, but postponed by President Adams until later in the meeting to allow additional time for the staff presenter to arrive at the meeting. Item 5 was called again after consideration of Item 11 and during consideration of Item 12, but the staff presenter still had not arrived.

Motion: Commissioner Adams motioned to continue Item 5 to a future commission meeting.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, O'Brien, Ortiz-Cartagena, and Yee Riley



Nay: None

Absent: Dwight and White.

#### **6. Permitting Committee Report.**

Commissioner Dooley reported that the committee requested staff work on police permits. The committee received a report from Office of Small Business staff member Jane Gong on online business portal Phase II development. OSB staff member Christian Murdock reported on recent efforts of the Planning Department pertaining to historic preservation guidelines, as well as OSB work on mobile retail. Director Dick-Endrizzi reported on Chicago's one-stop business assistance center. The committee requested that an upcoming disabled access/ADA summit be video recorded due to the likely interest by a broad spectrum of the business community.

#### **7. Directors Report.**

Director Dick-Endrizzi provided a written and verbal Director's report. She highlighted a few points from the written report:

Major observations of her league of cities conference in Chicago, including pro-small business efforts by Chicago, New York, and Atlanta.

Recent quarterly meeting between Mayor Lee and small business leaders.

Main topics of discussion during the recent San Francisco Metropolitan Transportation Agency (MTA) hearing on double parking.

Recently passed legislation heard by the Commission, including tax regulation updates and family friendly workplace ordinances.

StepAhead SF business loan program.

Follow-up surveys on Office of Small Business operations.

Outreach ahead of the transition to a Gross Receipts Tax.

Office of Small Business website updates to help with Affordable Care Act outreach.

#### **8. President's Report.**

Commissioner Adams reported his attendance at the first Universal Healthcare Council meeting. Its next meeting is on October 10. He will provide a more thorough report on the council's actions after attending a couple more meetings.

Commissioner Adams relayed concerns he has heard from several small business owners regarding registration for health insurance under the Affordable Care Act. They have reported that their rates have nearly doubled from what they were paying prior to shopping on the insurance exchange. Commissioner Adams asked staff to monitor this issue. Commissioner O'Brien added that he would like staff monitoring as well, since personally his premiums increase 25 percent after enrolling in the exchange. Director Dick-Endrizzi commented that staff would monitor the issue and that she had not received similar reports from other business owners.

Commissioner Adams next communicated his desire to schedule a joint meeting with the San Francisco MTA Board of Directors. The meeting should occur after an upcoming, not-yet-scheduled meeting between small business owners and MTA Director of Transportation Ed Reiskin.

#### **9. Vice President's Report.**

None (Vice President was absent).

#### **10. Commissioner Reports.**

Commissioner Dooley reported that she attended a meeting last week held by Supervisor Tang on disability access (ADA) issues. Meeting attendees planned for a future ADA summit with various agencies and professionals, in the hopes that having all relevant persons in the room will help to fix various loopholes negatively impacting small businesses.

Commissioner O'Brien reported that he had attended a Contract Monitoring Division (CMD) event on



doing business with the City earlier in the day. He observed that there are millions of dollars in contracts being tendered by the City in the next 18-24 months, and that CMD is working hard to involve as many San Francisco-based small businesses as possible. Interested businesses should consider becoming a Local Business Enterprise (LBE) as opportunities exist across many sectors, not just construction.

**11. General Public Comment.**

General public comment was called for and no members of the public spoke during general public comment.

**12. New Business.**

Commissioner Adams motioned to continue Item 5 to a future commission meeting (see minutes for Item 5).

**13. Adjournment.**

Motion: Commissioner Yee Riley motioned to adjourn.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, O'Brien, Ortiz-Cartagena, Yee Riley

Nay: None

Absent: Dwight, White

The meeting was adjourned at 6:42 pm.













SMALL BUSINESS COMMISSION  
NOTICE OF MEETING AGENDA

Monday, October 28, 2013  
2:00 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco CA 94102

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

1. **Call to order and roll call:**
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

3. **Approval of the October 7, 2013 meeting minutes.** (Action Item)

Explanatory Documents: Draft October 7, 2013 minutes.

4. **Presentation and discussion on Board of Supervisors on Board of Supervisors File No. 130781 [Special Tax Financing Law]:** Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments and to establish certain procedures by which the City can make changes to a special tax district. (Discussion Item)

Explanatory Documents: BOS File No. 130781 (PDF).

Presentation by Patrick Otellini, Director of Earthquake Safety.

5. **Presentation and discussion on the Job Squad survey findings and delivery of services.** Since January 2013, the Jobs Squad has met with and conducted surveys of merchants in the 25 Invest in Neighborhoods corridors while also providing business assistance services. The Jobs Squad will present on its survey findings, current business assistance efforts, and future plans. (Discussion Item)

Presentation by Jobs Squad members Manish Goyal and Francis Chan.

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6. **Discussion and possible action on the package of policy recommendations from the Accessible Parking Policy Advisory Committee to increase parking access and reduce disabled parking placard misuse.** (Discussion and Possible Action Item)

Explanatory Documents: Improving Parking Access Report.

Presentation by Carla Johnson, Acting Director, Mayor's Office on Disability; Bob Planthold, Accessible Parking Policy Advisory Committee; and Jessie Lorenz, Executive Director of the Independent Living Resource Center of San Francisco.

7. **Review and discussion on recommendations to the SFMTA regarding Small Business:** Recommendation from the May 6, 2013 Small Business Commission meeting. (Discussion Item)
8. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters and announcements regarding small business activities. (Discussion Item)
9. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)
10. **Vice President's Report:** Allows the Vice President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)
11. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)
12. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
13. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission. (Discussion Item)
14. **Adjournment.** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available by linking to the website agenda, [www.sfgov.org/sbc](http://www.sfgov.org/sbc) or for public inspection and/or copying at City Hall, Room 110. Please call Christian Murdock at (415) 554-6407 to make arrangements for pick up or review.

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## **Know Your Rights Under the Sunshine Ordinance**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at

[www.sfgov.org](http://www.sfgov.org).

### **Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings**

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### **Disability Access Policy**

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### **Translation Services**

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### **Lobbyist Ordinance**

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### **Chemical Sensitivity**

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY







[Administrative Code - Special Tax Financing Law]

Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments; and to establish certain procedures by which the City can make changes to a special tax district.

NOTE: Unchanged Code text and uncodified text are in plain Arial font.  
Additions to Codes are in single-underline italics Times New Roman font.  
Deletions to Codes are in ~~strike through italics Times New Roman font~~.  
Board amendment additions are in double-underlined Arial font.  
Board amendment deletions are in ~~strike through Arial font~~.  
Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds, determines and declares:

A. In its Ordinance No. 66-13, the Board of Supervisors made certain findings, which findings are incorporated in their entirety herein, and amended the San Francisco Building Code to add Section 34B to establish seismic retrofit requirements intended to significantly reduce the collapse risk of residential buildings with critically vulnerable lower stories and to increase the likelihood that these buildings will be structurally safe to occupy shortly after an earthquake.



1           B.     The Board of Supervisors intends to provide to owners of buildings in the City  
2 that are subject to a seismic retrofit requirement options for financing the work, including the  
3 ability to participate in a voluntary special tax financing program.

4           C.     In order to provide the option of voluntary special tax financing for seismic  
5 retrofit work, the Board of Supervisors must make certain amendments to Article X of Chapter  
6 43 of the Administrative Code.

7           D.     The Board of Supervisors previously established its "City and County of San  
8 Francisco Special Tax District No. 2009-1 (San Francisco Sustainable Financing)" (the  
9 "Special Tax District") for the purpose of financing and refinancing the acquisition, installation  
10 and improvement of energy efficiency, water conservation and renewable energy  
11 improvements to or on real property and in buildings, whether such real property or buildings  
12 are privately or publicly owned.

13          E.     The Board of Supervisors wishes to amend the proceedings for the Special Tax  
14 District to allow the financing of seismic retrofit work required under Section 34B, and must  
15 make certain amendments to Article X of Chapter 43 of the Administrative Code to accomplish  
16 the proposed amendments to the Special Tax District proceedings.

17  
18          Section 2.     Article X of Chapter 43 of the San Francisco Administrative Code is  
19 hereby amended as follows:

20          A.     Section 43.10.15 is hereby amended as follows:

21          SEC. 43.10.15.     AUTHORIZED FACILITIES.

22          In addition to the facilities that may be financed under the Act, special taxes may be  
23 levied and bonds may be issued to finance or refinance the acquisition, installation and  
24 improvement of energy efficiency, water conservation, water pollution control, and renewable  
25 equipment with an estimated useful life of five years or longer and/or energy efficiency, water



1 conservation, water pollution control, and renewable energy improvements that are attached  
2 to or on real property and in buildings, whether such real property or buildings are privately or  
3 publicly owned. Energy efficiency, water conservation, water pollution control and renewable  
4 energy improvements may only be installed on a privately owned building and on privately  
5 owned real property with the prior written consent of the owner or owners of the building or  
6 real property.

7 In addition to the Facilities that may be financed under the Act, special taxes may be levied and  
8 bonds may be issued to finance work deemed necessary to bring buildings or real property, including  
9 privately owned buildings or real property, into compliance with seismic safety standards or  
10 regulations. Only work certified as necessary to comply with seismic safety standards or regulations by  
11 local building officials may be financed. No project involving the dismantling of an existing building  
12 and its replacement by a new building, nor the construction of a new or substantially new building may  
13 be financed pursuant to this subparagraph. Work on qualified historical buildings or structures shall be  
14 done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section  
15 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be  
16 financed with the prior written consent of the owner or owners of the privately owned property.

17 B. A new Title 5 is added to read as follows:

18 TITLE 5 - CHANGE PROCEEDINGS

19 SEC. 43.10.26. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS

20 AFFECTING PROPERTY OWNERS.

21 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
22 independent procedure for making the changes described in Section 53330.7 of the Act, the changes  
23 may be made with the unanimous approval of the owner or owners of the parcel or parcels that will be  
24 affected by the change and the written consent of the local agency. No additional hearings or  
25 procedures are required, and the unanimous approval shall be deemed to constitute a unanimous vote



1 in favor of the proposed changes. If the proceeds of a special tax are being utilized to retire any debt  
2 incurred pursuant to this chapter and the unanimous approval relates to the reduction of the special tax  
3 rate, the unanimous approval shall recite that the reduction or termination of the special tax would not  
4 interfere with the timely retirement of that debt.

5 SEC. 43.10.27. ALTERNATE PROCEDURE FOR CHANGE PROCEEDINGS NOT  
6 ADVERSELY AFFECTING TAXABLE PROPERTY IN THE SPECIAL TAX DISTRICT.

7 With respect to a special tax district formed under Section 43.10.17, as an alternate and  
8 independent procedure to those set forth in Sections 53331-53338 of the Act for making changes to the  
9 special tax district when the Board of Supervisors finds that no taxable property in the special tax  
10 district will be adversely affected by the changes, including but not limited to a change in the types of  
11 authorized public facilities or services which should be financed by an established special tax district, a  
12 change in the authorized amount of bonded indebtedness for the special tax district, a change in the  
13 rate or method of apportionment of a special tax, or the addition of a new special tax, the Board of  
14 Supervisors shall comply with the following requirements shall apply:

15 (a) The Department or Supervisor proposing the changes to the special tax district  
16 shall introduce at the Board of Supervisors a resolution stating those changes. At the time the  
17 sponsoring Department or Supervisor submits the resolution to the Clerk of the Board of  
18 Supervisors for introduction, the sponsoring Department or Supervisor shall provide written  
19 notice to the Clerk informing the Clerk that the alternate procedure and notice requirements in  
20 this Section apply to the resolution.

21 (b) Before adopting the resolution, but no sooner than 14 days after the introduction  
22 of the resolution, the Board of Supervisors or a committee of the Board of Supervisors shall  
23 hold a public hearing on the resolution. At the hearing, any person interested, including  
24 persons owning property within the area, may appear and present any matters material to the  
25 questions set forth in the resolution.



1 (i) The Board of Supervisors shall adopt a resolution (A) declaring the intent to  
2 make changes to a special tax district, (B) finding that the proposed changes serve the public  
3 interest and will not adversely affect any taxable property in the special tax district, and (C)  
4 calling for a public hearing on the matter, which public hearing shall be held no sooner than 14  
5 days after the adoption of the resolution described in this subsection (i).

6 (i)c) The Clerk of the Board of Supervisors shall publish a notice of the public hearing one  
7 time in a newspaper of general circulation published in the area of the special tax district at least 7  
8 days prior to the public hearing. The notice shall contain all of the following information:

9 (A) The text or a summary of the proposed resolution adopted pursuant to the preceding  
10 subsection (i); the notice may refer to documents on file in the office of the Clerk of the Board of  
11 Supervisors for detail.

12 (B) The time and place of the hearing.

13 (C) A statement that at the hearing the testimony of all interested persons, including all  
14 persons owning property in the area, for or against the changes, will be heard.

15 (iii) The Board of Supervisors must hold a public hearing on the subject of the  
16 proposed changes. At the hearing any person interested, including persons owning property  
17 within the area, may appear and present any matters material to the questions set forth in the  
18 resolution described in the preceding subsection (i).

19 (ivd) After holding the public hearing, the Board of Supervisors City may adopt a  
20 resolution making the proposed changes to the special tax district as long as it concludes that the  
21 public interest, convenience and necessity would be served by the proposed changes, that the changes  
22 would not adversely affect any taxable property in the special tax district and that the changes would  
23 not adversely affect the owners of any outstanding bonds that are payable from special taxes levied in  
24 the special tax district.



1 (ve) After adopting the resolution described in this section, the preceding subsection (iv),  
2 the Board of Supervisors shall adopt an ordinance amending any prior ordinance levying special taxes  
3 in the Special Tax District to reflect the changes to the special tax district.

4  
5 Section 3. Effective Date. This ordinance shall become effective 30 days after  
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
8 of Supervisors overrides the Mayor's veto of the ordinance.

9  
10 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
11 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
12 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
13 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
14 additions, and Board amendment deletions in accordance with the "Note" that appears under  
15 the official title of the ordinance.

16  
17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20 By: 

21 MARK D. BLAKE  
Deputy City Attorney

22 n:\financials\2013\1300517\00873321.doc





City and County of San Francisco  
Tails  
Ordinance

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 130781

Date Passed: October 01, 2013

Ordinance to amend the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize financing by special tax districts of work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations, and related technical amendments, and to establish certain procedures by which the City can make changes to a special tax district.

September 16, 2013 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

September 16, 2013 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED

September 24, 2013 Board of Supervisors - PASSED ON FIRST READING

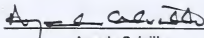
Ayes: 10 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang and Wiener  
Absent: 1 - Yee

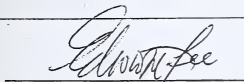
October 01, 2013 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130781

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/1/2013 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mayor

10/1/13  
Date Approved







# Accessible Parking Policy Advisory Committee Recommendations Report

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Updated October 22, 2013

## Executive summary

On a daily basis, people with disabilities have trouble finding parking in San Francisco, making it more difficult to access their destinations. Current disabled parking placard and blue zone policies are failing to increase access for people with disabilities, reducing parking availability for all drivers. The City's Accessible Parking Policy Advisory Committee worked together to find a better solution.

In October 2012, the San Francisco Municipal Transportation Agency (SFMTA) and the Mayor's Office on Disability brought together the Accessible Parking Policy Advisory Committee, a stakeholder group comprised mostly of disability rights advocates. After six months of collaborative work, the group came to a broad consensus on a package of policy recommendations to increase access to street parking and reduce disabled parking placard misuse.

The Mayor's Office on Disability, the SFMTA, and members of the Accessible Parking Policy Advisory Committee are conducting significant stakeholder outreach regarding these recommendations. Outreach began in May 2013. At the same time, the SFMTA has taken steps towards implementing the recommendations that are under local control. Local recommendations including increasing the number of blue zones and improving disabled parking placard misuse enforcement. Other recommendations require changes at the state level. These include improving the DMV's oversight of placard approvals and allowing qualified jurisdictions the option of requiring meter payment and four-hour time limits for placard holders.



Mayor's Office  
on Disability



SFMTA  
Municipal  
Transportation  
Agency



## Table of contents

<b>The committee: a stakeholder process .....</b>	<b>3</b>
Committee members .....	4
<b>Problem: insufficient access for people with disabilities .....</b>	<b>5</b>
<b>Criteria: ensuring solutions that increase access .....</b>	<b>5</b>
Effectiveness criteria .....	5
Feasibility criteria.....	6
<b>Research and information: a well-informed committee .....</b>	<b>7</b>
Information about San Francisco and the Bay Area .....	7
Best practices research .....	10
<b>Policy alternatives: developing and analyzing 20 options .....</b>	<b>11</b>
<b>Recommendations: proven solutions to improve access .....</b>	<b>12</b>
1. Increase blue zones .....	12
2. Improve enforcement of placard misuse .....	12
3. Increase oversight of placard approvals.....	13
4. Remove the meter payment exemption requirement.....	13
5. Direct revenue to accessibility improvements .....	14
6. Allow jurisdictions to establish reasonable time limits .....	14
<b>Timeline of next steps .....</b>	<b>15</b>
1. Outreach regarding recommendations .....	15
2. Implement items that are under local control.....	15
3. Local resolutions of support for state policy change .....	15
4. State legislative process.....	15
5. Establish local policy .....	16
<b>Outreach presentations list.....</b>	<b>17</b>
<b>Appendix I: Committee meeting schedule .....</b>	<b>19</b>
<b>End notes: URLs for links in document .....</b>	<b>21</b>





## The committee: a stakeholder process

In October 2012, the SFMTA and the Mayor's Office on Disability gathered 16 stakeholders to review and make recommendations regarding on-street accessible parking policies. The majority of the Accessible Parking Policy Advisory Committee members were disability rights advocates, many of whom use disabled parking placards. They were joined by a representative from the Department of Motor Vehicles (DMV) as well as members representing business, regional transportation, and medical voices.

The committee worked together from October 2012 to March 2013 and took the following steps:

- Identified problems related to parking access
- Established goals and criteria for choosing solutions to problems
- Reviewed research about the San Francisco Bay Area and best practices from across North America
- Proposed and analyzed solutions
- Developed a package of recommended solutions

The SFMTA hired a third party professional facilitator to ensure the process moved forward and all voices were heard. Staff members from various City departments were available as resources, but only Committee members participated in voting and decision-making.

To facilitate in-depth discussion and to help guide the process, a steering committee, representing a subset of the committee, met monthly to recommend items for discussion by the full committee and provide direction and input to staff on research, analysis, and materials for the meetings.

See Appendix I for the full Committee schedule, including the purpose of each meeting and links to agendas and meeting notes.



**COMMITTEE MEMBERS****Co-chairs**

- Carla Johnson, Interim Director, Mayor's Office on Disability
- Ed Reiskin, Director of Transportation, SFMTA

**Steering committee**

- Jessie Lorenz, Independent Living Resource Center of San Francisco
- Bob Planthold, Disability Beacon Award winner
- Stu Smith, Paratransit Coordinating Council
- Roland Wong, SFMTA Multimodal Accessibility Advisory Committee and Mayor's Disability Council
- Ann Flemer, Metropolitan Transportation Commission (MTC)

**Members**

- Andrew Conway, Department of Motor Vehicles
- Pete Curran, San Francisco Medical Society
- Dorene Giacomini, MTC Commissioner
- Vera Haile, San Francisco Commission on Aging
- Henry Karnilowicz, San Francisco Council of District Merchants Associations
- Bonnie Lewkowicz, Access Northern California
- Cristina Rubke, Member, Board of Directors, SFMTA
- Jeff Spicker, Building Owners and Managers Association
- Dee Workman, San Francisco Chamber of Commerce

**Staff**

Staff from the Mayor's office; San Francisco Board of Supervisors; Office of the City Attorney; and SFMTA Accessible Services, Sustainable Streets, Enforcement, Finance and IT, SFpark, and Government Affairs attended meetings as resources.

**Facilitators**

Richard Weiner and Bonnie Nelson, Nelson\Nygaard Consulting Associates





## Problem: insufficient access for people with disabilities

The Committee's first task was to define any problems related to disabled parking placards, blue zones, and on-street parking access in general. They identified the following:

- People with disabilities can't find parking
- There isn't enough parking turnover to ensure there's enough parking for everyone
- Public perception that people with hidden disabilities don't deserve placards

## Criteria: ensuring solutions that increase access

Based on the existing problems, the Committee then developed criteria by which they would evaluate possible policy solutions.

### EFFECTIVENESS CRITERIA

Effectiveness criterion	Measure	Desired results
Makes it easier for people with disabilities to find parking in blue zones	Change in parking availability in blue zones	Improved parking availability in blue zones
Makes it easier for people, especially those with disabilities, to find parking in general metered spaces	Change in parking availability at general metered on-street parking spaces	Sufficient parking availability at metered on-street spaces (improved in congested areas)
Reduces placard misuse	Expected change in placard misuse	Reduction in placard misuse
Recognizes diverse needs/requirements of the disabled community	Whether or not policy is suitable for people with disabilities who are low income vs. not low income, and for different types of mobility impairments	Policy designed to be suitable for some variability in income and disability type



## FEASIBILITY CRITERIA

Feasibility criterion	Measure	Desired results
Approval feasibility	<p>Policy/legal change requirements</p> <p>Likelihood of support</p> <p>Ease of explanation to policymakers</p>	Sufficient comprehension and support to achieve approval
Ease of user interface	<p>Whether it meets ADA requirements</p> <p>Whether policy is easy to understand</p>	Fulfills ADA, and existing communications channels are sufficient to make outside visitors understand changes.
Implementation and operational feasibility	<p>Capability (ability + resources + technology) of relevant agency/agencies to implement and operate solution</p> <p>Feasibility in other California jurisdictions</p>	<p>Relevant agency/agencies have sufficient capability</p> <p>Feasible in other jurisdictions</p>
Financial feasibility	Fiscal impact to City	No adverse fiscal impact to City
Time needed to get new policy approved and implemented	Anticipated year of implementation	A mix of near- and far-term solutions



## Research and information: a well-informed committee

The Committee reviewed significant research about disabled parking placards and blue zones in San Francisco, the Bay Area, and in cities across the country.

### INFORMATION ABOUT SAN FRANCISCO AND THE BAY AREA

The Committee reviewed the following research documents regarding San Francisco and the Bay Area:

- [Accessible parking background information](#)<sup>i</sup>
- [Blue zones overview](#)<sup>ii</sup>
- [Blue zone locations map](#)<sup>iii</sup>
- [Disabled parking placards and license plates overview](#)<sup>iv</sup>
- [Disability, low income status, and car availability statistics overview](#)<sup>v</sup>

Below is a summary of this information.

#### Blue zones

Blue zones are intended to ensure that people with disabilities can park close to public destinations, and only those with valid disabled parking placards can park in them. Blue zones are marked by signage and blue curb paint and are generally located in areas with high public use, such as commercial areas and near public parks and playgrounds.

San Francisco has 29,200 on-street metered parking spaces and 700 unmetered on-street blue zones, equivalent to 2.4 percent of metered spaces. Up to this point, most blue zones in San Francisco have been established by requests via the San Francisco 311 Center or an [online application](#).<sup>vi</sup>

Blue zones provide a higher level of accommodation than other parking spaces, with ramp access, space for wheelchair lifts, and relatively level streets and sidewalks. The City has set a few guidelines regarding where blue zones can be placed, in addition to guidelines from the Federal Americans with Disabilities Act. For a summary of the physical requirements for blue zones, see the [blue zones overview](#).





### Disabled parking placards

Disabled parking placards are governed by California state law, which requires all jurisdictions to exempt placard holders from time limits and on-street meter payment. The exemptions apply in all legal parking spaces except for commercial and passenger loading zones. California is one of just 15 states that require cities to exempt placard holders from paying at the meter, and one of five states that require both meter payment and time limit exemptions for placard holders.<sup>1</sup>

The California DMV issues placards. Individuals who meet eligibility criteria related to limited mobility, reduced sight, cardiovascular or pulmonary conditions may apply for a placard. Full eligibility requirements can be found on the [DMV application](#).<sup>vii</sup> Applications are completed by an individual's doctor, chiropractor, optometrist, physician's assistant, nurse practitioner, or nurse midwife. The eligibility criteria and practitioner list are pretty typical.<sup>2</sup> The DMV's database system is decades old and unable to verify or track information about who is certifying placards.

Disabled parking placard issuance has increased significantly in the last decade. San Francisco now has twice as many disabled parking placards as metered spaces, with 67,500 placards issued to San Franciscans compared with 29,200 metered spaces. There are an additional 454,000 placards issued to people in the other eight Bay Area counties, many of whom drive to San Francisco.

The number of placards issued in the nine-county Bay Area has increased by 100 percent since 2001. However, between 2001 and 2010, the Bay Area population only increased by 5 percent and the 65+ population by 16 percent. Legitimate placards are often misused by people they don't belong to, increasing rates of use. Many blue zones and metered parking spaces are full for long periods of time due to placard use, decreasing access for those who need it.

A 2008 SFMTA survey found that 45 percent of parking meters were occupied by cars displaying placards in the downtown study area. Of the vehicles using placards, 57 percent were registered outside of San Francisco.

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<sup>1</sup> October 16, 2012, memo from the California Senate Office of Research

<sup>2</sup> See a comparison to other states in the [Policy Options Evaluation](#) Appendices II and III, p. 46-48



### Disabled parking placard enforcement

All SFMTA Parking Control Officers (PCOs) help enforce accessible parking, issuing citations for blue zone infractions, ramp obstructions, and expired placards. The SFMTA also has a team of PCOs dedicated solely to enforcing placard abuse.<sup>3</sup> This Disabled Placard Detail conducts stakeouts and twice-weekly stings, confiscating roughly 1,800 placards per year.

The most common form of placard misuse appears to be non-disabled people illegally using legitimate placards that belong to other people, but that's also the hardest to enforce. Because placard holders can use their placards when getting rides from other people, even finding a solo driver using someone else's placard isn't enough; the PCO must prove that the placard holder isn't nearby. Additionally, because of personal privacy concerns, PCOs do not ask people about their disabilities. As a result, if a placard registration matches the individual, it is not possible to determine whether that placard was illegitimately obtained. The placard is assumed to be valid.

The stakes are high with disabled placard enforcement: a citation for placard misuse now costs \$880 and the PCOs confiscate the placard immediately. Almost 60 percent of placard-related citations are contested and 12 percent of those protests go all the way to the CA Superior Court. However, the Disabled Placard Detail conducts its work very carefully, and 82 percent of challenged citations are upheld as valid. These PCOs work in teams of two to provide a witness for future hearings and protect officers from violence. They also spend a quarter of their time writing reports to ensure proper documentation for protest procedures.

Because enforcing placard misuse is so labor intensive, revenue generated by placard misuse citations does not cover the costs of enforcement.

### Disability, income, and car ownership

The U.S. Census American Community Survey estimates from 2008-2010 found that in San Francisco, people with disabilities are more likely to have low incomes: 50 percent of people with disabilities have low incomes compared to 25 percent of people without disabilities.<sup>4</sup> However, people with low incomes are less likely to have access to a

<sup>3</sup> This team had 11 PCOs and one supervisor when the Committee was in session. Based on Committee recommendations, the SFMTA has increased this number to 14 PCOs and one supervisor.

<sup>4</sup> "Low income" is defined as 200 percent of the federal poverty level.





vehicle or commute by automobile: only 16 percent of people with disabilities are both low income and have a vehicle available in their households, and two percent of low-income people with disabilities commute by automobile.

### BEST PRACTICES RESEARCH

The committee spent two months looking at the accessible parking practices in eleven North American cities. They reviewed case studies and disability rights advocate interviews from cities including Philadelphia; New York City; Chicago; Houston; and Arlington County, Virginia. These case studies illustrated the effects of various policy approaches, such as heavier enforcement, strict protocols for placard issuance, and meter payment.

The Committee reviewed the following peer practices research documents:

- [Accessible parking policies and practices in other jurisdictions- document](#)<sup>viii</sup>
- [Interviews with advocates and staff in other jurisdictions](#)<sup>ix</sup>
- [Accessible parking policies and practices in other jurisdictions- presentation](#)<sup>x</sup>

### Best practices

All programs that had successfully increased parking access and reduced placard misuse combined three core elements:

- Provide more blue zones
- Conduct sufficient enforcement on placard use and blue zones
- Charge placard holders at meters

The cities that had implemented only one or two of these elements were not as successful. For instance, Houston had the most robust enforcement regime in our survey but was unable to solve the problem until it also introduced meter payment and increased blue zones. The research found no correlation between cities with successful placard programs and those with shorter lists of permitted placard certifiers or tighter eligibility criteria.



### Meter payment

Based on experiences in other cities, meter payment is the most effective way to reduce placard misuse and open up parking spaces. For example, when placard holders started paying at the meter in Philadelphia, parking availability rose from two to 13 percent, opening up more than one in ten spots. Vehicles displaying placards downtown dropped from 40 to two percent.

### Policy alternatives: developing and analyzing 20 options

During its six months of work, the Committee reviewed numerous approaches to increasing parking access and decreasing disabled parking placard misuse. After defining the problem, establishing criteria, and reviewing extensive research, the Committee identified a series of policy alternatives for further evaluation. The steering committee and full committee discussed the list, adding or removing ideas after full discussion. In the end, the committee analyzed 20 policy alternatives. For details on all the Committee's policy ideas, please see the [policy options analysis](#)<sup>xi</sup>, which evaluates each option according to the group's agreed-upon criteria.

After they conducted this analysis, the Committee concluded that no single policy could successfully create access for people with disabilities, and only a multifaceted approach would work. For instance, they found that no city had significantly increased access and reduced placard misuse using enforcement tactics alone.





## Recommendations: proven solutions to improve access

The San Francisco Accessible Parking Policy Advisory Committee achieved a broad consensus on an integrated program of policy recommendations to increase parking access for people with disabilities and improve parking availability overall. All recommendations passed with at least 70 percent of the committee expressing support. To see the final votes and discussions, including dissent statements, see the [March 26 Accessible Parking Policy Advisory Committee meeting notes](#).<sup>xii</sup> Committee members emphasized that the recommendations function together as a package, and noted that some policy changes are local and some require state law change.

### 1. INCREASE BLUE ZONES

#### 1a. Increase blue zones to at least four percent of metered spaces (local)

To reserve more parking spaces for people with disabilities, a number of spaces equivalent to four percent of metered parking spaces should be blue zones, representing a 70 percent increase (equivalent to roughly 470 blue zoned spaces) beyond what is in place today.

#### 1b. Review San Francisco's requirements for blue zone placement (local)

Under current [ADA and City guidelines](#),<sup>xiii</sup> many locations in need of blue zones will not be eligible. The Committee recommends that the San Francisco Mayor's Office on Disability and the SFMTA consider changing San Francisco's blue zone placement guidelines to enable blue zones in more places (ADA guidelines would not be altered).

### 2. IMPROVE ENFORCEMENT OF PLACARD MISUSE

#### 2a. Photo or other identifier on placards (state)

The Committee recommends the California Department of Motor Vehicles (DMV) make a photo available to personnel enforcing placard use. This could be achieved by placing a photo on the placard itself, on the placard receipt, or tying a photo to the placard database used by enforcement personnel.

#### 2b. Improve local enforcement (local)

To reduce fraudulent use of placards, San Francisco should explore options to improve placard enforcement and implement best practices. This could include increasing the number of PCOs on the Disabled Placard Detail, increasing stings, conducting outreach regarding placard enforcement, and beginning a volunteer program.



### 3. INCREASE OVERSIGHT OF PLACARD APPROVALS

#### 3a. Certifier verification program with state database overhaul (state)

The DMV does not currently have the technical capacity to keep information about the medical providers who certify placards in a searchable database. To increase transparency and accountability, the Committee recommends that the DMV develop and maintain a database to track and verify medical providers, using a system similar to the Bay Area Regional Transit Connection (RTC) Discount Card Program. First-time certifiers would be verified utilizing state medical licensing databases, and subsequent certifications by the same professional would be verified using the provider's previously scanned signature.

#### 3b. Clarify placard eligibility requirements by adding a functional definition to the "limited mobility" criteria (state)

The Committee recommends further defining the following eligibility criterion from the DMV's placard application: "disease or disorder which substantially impairs or interferes with mobility". Examples of functional definitions used in other states include "cannot walk 200 feet without stopping to rest" and "uses portable oxygen". The DMV's remaining eligibility criteria would not change.

#### 3c. Conduct enforcement on those who certify placards, using data from upgraded database (local)

The Committee recommends that police officers use the DMV placard certifier database recommended in 3a to focus enforcement on medical providers that repeatedly issue more placards than one would expect.

### 4. REMOVE THE METER PAYMENT EXEMPTION REQUIREMENT

#### 4a. Provide local control, allowing jurisdictions with accessible meter payment options to require parking meter payment for vehicles displaying placards (state)

Based on experiences in other jurisdictions, meter payment is the most effective way to reduce disabled placard abuse and make parking spaces available because it removes the financial incentive to cheat.<sup>5</sup> The Committee recommends requiring placard holders to pay at the meter in San Francisco, including blue zones that are in metered areas.

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<sup>5</sup> See [Accessible Policy Options Evaluation](#) and [Accessible Parking Policies and Practices in Other Jurisdictions](#)



Statewide, they stipulate that this should only be allowed as an option in jurisdictions which provide accessible payment options for all meters.

This would mean that qualified local jurisdictions would be able to decide whether a meter payment exemption makes sense for them. California is one of only fifteen states that require local jurisdictions to exempt placard holders from meter payment, and one of only five that require both payment and time limit exemptions.<sup>6</sup>

## 5. DIRECT REVENUE TO ACCESSIBILITY IMPROVEMENTS

### 5a. Revenue from metered blue zones used for accessibility improvements (local)

To further the significant work San Francisco has done to make its public rights-of-way increasingly accessible, the SFMTA should designate funds from metered blue zones for accessibility improvements that would enhance mobility for people with disabilities.

## 6. ALLOW JURISDICTIONS TO ESTABLISH REASONABLE TIME LIMITS

### 6a. Allow local jurisdictions to implement time limits at regular metered spaces and blue zones, provided that those time limits are no shorter than four hours (state)

In order to help open parking spaces, the committee recommends that placard holders in San Francisco have four-hour time limits at regular and blue meters, unless the posted time limit is longer. At the state level, the state should give local jurisdictions the option of instituting time limits for placard holders, provided those time limits are no shorter than four hours. Disability rights advocates in jurisdictions with three- and four-hour time limits report that the time seems to be sufficient for people with disabilities.<sup>7</sup>

### 6b. Allow local jurisdictions to implement time limits in green zones, provided that those time limits are no shorter than 30 minutes (state)

Paid for by qualifying merchants, green zones are short-term parking zones intended to support business and reduce double-parking. State law currently exempts placard holders from time limits in green zones, rendering many green zones ineffective. The Committee recommends that a time limit be set for placard holders in green zones, not including time spent getting in and out of the vehicle. Green zones are generally directly in front of the relevant business.

<sup>6</sup> October 16, 2012, memo from the California Senate Office of Research

<sup>7</sup> See the [interviews with advocates and staff in other jurisdictions](#)



## Timeline of next steps

Working with Committee members, the Mayor's Office on Disability and the SFMTA identified the following action plan.

### 1. CONDUCT OUTREACH REGARDING RECOMMENDATIONS

#### May 2013 and ongoing

The Mayor's Office on Disability, the SFMTA, and members of the Accessible Parking Policy Advisory Committee are conducting significant stakeholder outreach regarding these recommendations. Outreach began in May 2013. See list of presentations in the next section.

### 2. TAKE STEPS TO IMPLEMENT ITEMS THAT ARE UNDER LOCAL CONTROL

#### June 2013 to 2015

The SFMTA has begun taking steps to implement the recommendations that are under local control. As of July 2013, the SFMTA has done the following:

- Increased the number of PCOs serving on the Disabled Placard Detail by over 25 percent, so now the SFMTA has 14 PCOs dedicated to enforcing placard misuse.
- Identified a project lead for establishing more blue zones and begun identifying potential new blue zone locations. The SFMTA aims to install some new blue zones by the end of the year and complete the project by mid-2015.

### 3. SEEK LOCAL RESOLUTIONS OF SUPPORT

#### Late 2013

- SFMTA Board of Directors
- San Francisco Board of Supervisors
- San Francisco County Transportation Authority Board of Commissioners

### 4. STATE LEGISLATIVE PROCESS

#### Late 2013 to January 2015

With local support, we would pursue a state legislative sponsor in fall 2013. At the earliest, a bill could be introduced in 2014 and go into effect in 2015. The League of California Cities Transportation, Communications and Public Works Policy Committee





has provided conceptual support for the state law changes and directed League staff to continue working on the issue.

The state bill could include the following:

- Improve DMV oversight of placard approvals, including tracking and verification of the medical providers who sign placard applications.
- Clarify placard eligibility requirements without removing any existing qualifying criteria.
- Make placard holder photo available to placard enforcement personnel.
- Remove the meter payment exemption requirement, so that local jurisdictions with accessible meter payment options can choose to require placard holders to pay at the meter.
- Allow jurisdictions the option of establishing placard holder time limits of no shorter than four hours in regular metered spaces and blue zones, and no shorter than 30 minutes in green zones.

#### 5. ESTABLISH LOCAL POLICY

##### Early 2015

The state law change would authorize but not require qualifying jurisdictions to require time limits and meter payment for placard holders; San Francisco would still need to pass its own local policy.





## Outreach presentations list

- May 16 – SFMTA Multimodal Accessibility Advisory Committee\*
- May 17 – Mayor's Disability Council\*
- June 6 – SFMTA Citizens' Advisory Council\*
- June 14 – League of California Cities Transportation, Communications, and Public Works Policy Committee
- June 21 – SFMTA Board of Directors Policy and Governance Committee\*
- July 11 – Long Term Care Coordinating Council, with over 25 additional senior care and recreation center representatives invited\*
- July 17 – Independent Living Resource Center, with Lighthouse for the Blind and California Council of the Blind invited
- July 30 – FDR Democratic Club Executive Board
- July 31 – Disability parking forum hosted by FDR Democratic Club (special public meeting)\*
- August 7 – Paratransit Coordinating Council\*
- August 7 – San Francisco Chamber of Commerce Public Policy Committee
- August 7 – FDR Democratic Club monthly meeting (discussion based on earlier presentations)
- August 20 – San Francisco Council of District Merchants Associations
- August 21 – SPUR Transportation Committee
- August 28 – San Francisco County Transportation Authority Citizens Advisory Committee\*
- September 11 – SPUR lunchtime forum
- September 18 – Advisory Council to the Aging and Adult Services Commission\*
- October 2 – Aging and Adult Services Commission\*
- October 7 – Alameda County Transportation Commission senior and disability mobility workshop





- October 9 – Metropolitan Transportation Commission Policy Advisory Council Equity & Access Subcommittee\*
- October 19 – Accessible parking forum hosted by the SFMTA and the Mayor's Office on Disability (special public meeting)\*
- October 28 – Small Business Commission\*
- November 8 – California Public Parking Association 30<sup>th</sup> Annual Conference

As of October 2013, we are also actively communicating with the following groups regarding outreach presentations: Lighthouse for the Blind and Ed Roberts Campus.

Note that Senior and Disability Action declined a presentation and let us know they are taking a neutral stance on the recommendations.

*\*Public meeting including time for public comment and participation. All public meetings posted on [SFMTA.com/parkingaccess](http://SFMTA.com/parkingaccess) once the final agenda is released, in addition to regular public notices.*





## Appendix I: Committee meeting schedule

Date and time	Meeting type	Meeting purpose
Oct. 23, 2012 2 p.m. – 4 p.m.	Full committee	Introduce participants; set ground rules; explain process and set calendar; background information presentation; stakeholder interview summary; solicit initial response to problem understanding; nominate steering committee members. <a href="#">Agenda (PDF)</a> <sup>xiv</sup> <a href="#">Meeting notes (PDF)</a>
Nov. 13, 2012 10 a.m. – 11:30 a.m.	Steering committee	Develop working relationships within the group; explore findings regarding problem definition; set agenda for next full committee meeting. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Nov. 27, 2012 2 p.m. – 4 p.m.	Full committee	Define problems related to accessible parking and explore roots of the problems. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Dec. 11, 2012 10 a.m. – 11:30 a.m.	Steering committee	Develop list of criteria to evaluate potential solutions to the problem; set full committee meeting agenda. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Dec. 18, 2012 10 a.m. – noon	Full committee	Finalize criteria to evaluate potential problem solutions; best practices presentation. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>



Date and time	Meeting type	Meeting purpose
Jan. 8, 2013 10 a.m. – 11:30 a.m.	Steering committee	Develop broad list of policy options to consider for further evaluation; finalize agenda for full committee meeting. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Jan. 22, 2013 10 a.m. – noon	Full committee	Agree on list of policy options for evaluation according to criteria; clarify process for evaluating policy options and developing final recommendations. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Feb. 5, 2013 10 a.m. – noon	Steering committee	Review and refine policy options discussed at full committee meeting. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Feb. 26, 2013 10 a.m. – noon	Full committee	Review policy options analysis; hone list of policy options for further consideration. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Mar. 12, 2013 10 a.m. – noon	Steering committee	Develop recommendations for discussion in final full committee meeting; set final full committee meeting agenda. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>
Mar. 26, 2013 10 a.m. – noon	Full Committee	Develop final recommendations. <a href="#">Agenda (PDF)</a> <a href="#">Meeting notes (PDF)</a>



**End notes: URLs for links in document**

- 
- <sup>i</sup> Accessible parking background information: [http://www.sfmta.com/sites/default/files/projects/accessible\\_parking\\_overview\\_web.pdf](http://www.sfmta.com/sites/default/files/projects/accessible_parking_overview_web.pdf)
- <sup>ii</sup> Blue zones overview: <http://sfpark.org/wp-content/uploads/2012/11/20121107-Blue-zone-overview.pdf>
- <sup>iii</sup> Blue zone locations map: <http://sfpark.org/resources/disabled-parking-census-map/>
- <sup>iv</sup> Disabled parking placards and license plates overview: <http://sfpark.org/wp-content/uploads/2012/11/Disabled-placard-overview2.pdf>
- <sup>v</sup> Disability, low income status, and car availability statistics overview: <http://sfpark.org/wp-content/uploads/2012/11/20121107-Disability-statistics-overview.pdf>
- <sup>vi</sup> New blue zone request form instructions: <http://sfmta.com/services/streets-sidewalks/installation-requests/new-color-curb>
- <sup>vii</sup> California DMV disabled parking placard application: <http://apps.dmv.ca.gov/forms/reg/reg195.pdf>
- <sup>viii</sup> Accessible parking policies and practices in other jurisdictions- document: <http://www.sfmta.com/sites/default/files/projects/Research%20and%20analysis-%20accessible%20parking%20practices%20peer%20review.pdf>
- <sup>ix</sup> Interviews with advocates and staff in other jurisdictions: <http://www.sfmta.com/sites/default/files/projects/Research%20and%20analysis-%20peer%20interviews.pdf>
- <sup>x</sup> Accessible parking policies and practices in other jurisdictions- presentation: <http://sfpark.org/wp-content/uploads/2013/01/Accessible-parking-policies-in-other-jurisdictions1.pdf>
- <sup>xi</sup> Policy options analysis: <http://www.sfmta.com/sites/default/files/projects/Research%20and%20analysis-%20accessible%20parking%20policy%20options%20evaluation.pdf>
- <sup>xii</sup> March 26 Accessible Parking Policy Advisory Committee meeting notes: <http://sfpark.org/wp-content/uploads/2013/05/20130515-March-26-full-committee-mtg-notes-Accessible-Parking-Policy-Advisory-Committee1.pdf>
- <sup>xiii</sup> Overview of blue zone placement guidelines: <http://sfpark.org/wp-content/uploads/2012/11/20121107-Blue-zone-overview.pdf>



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<sup>xiv</sup> Links to all agendas and meeting notes: <http://sfpark.org/how-it-works/accessible-parking-policy/accessible-policy-schedule/>







SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES



Monday, October 28, 2013

2:00 PM

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS,

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call.

The meeting was called to order at 2:03 PM. Commissioners Adams, Dooley, O'Brien, Ortiz-Cartagena, and White were present. Commissioners Dwight and Yee Riley arrived at approximately 2:05 PM, after consideration of Items 1-3.

2. General Public Comment.

General public comment was called for and no members of the public spoke during general public comment.

3. Approval of the October 7, 2013 meeting minutes.

Motion: Commissioner Dooley motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner O'Brien

Aye: Adams, Dooley, O'Brien, Ortiz-Cartagena, and White

Nay: None

Absent: Dwight and Yee Riley

4. Presentation and discussion on Board of Supervisors on Board of Supervisors File No. 130781 [Special Tax Financing Law].

Patrick Otellini, Director of Earthquake Safety, presented. Mr. Otellini provided an overview of the soft-story retrofit program as well as the subject legislation, which was adopted as Ordinance 205-13 on October 1, 2013. He highlighted the nearly 3,000 buildings that would undergo seismic retrofits, where nearly 2,000 businesses are housed. Mr. Otellini emphasized the devastating impacts a large-scale collapse of soft-story buildings would have on San Francisco's small businesses and broader economy.

Additionally, Mr. Otellini described the Special Tax Financing Law as a critical piece of Mayor Lee's earthquake preparedness strategy. Previous attempts at encouraging upgrades to seismically at-risk buildings did not achieve widespread success, in part because of a lack of access to convenient and affordable financing for property owners. The subject legislation is targeted to provide property owners with a public financing option in

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addition to options provided by private financial institutions. It would allow property owners subject to the mandatory upgrades to amortize the cost of upgrades on their property tax bills over a 20-year period.

Commissioner Adams commended Mr. Otellini and his staff on their outreach and education efforts related to this program. As one of the participating bankers providing private financing options to property owners for their seismic upgrades, he witnessed the large turnout at a recent financing education workshop.

Director Dick-Endrizzi asked whether small businesses located in buildings subject to the mandatory seismic retrofit program should ask their landlords to contact Mr. Otellini's office. Mr. Otellini confirmed that was correct, and indicated during his presentation that the Community Action Plan for Seismic Safety (CAPSS) office has an open-door policy to anybody seeking information on the program. The Department of Building Inspection is also available to answer questions.

Public comment was called for and no members of the public appeared to speak.

This was a discussion item only and no action was taken.

#### **5. Presentation and discussion on the Job Squad survey findings and delivery of services.**

Jobs Squad members Manish Goyal and Francis Chan, presented. They explained how they fit into Mayor Lee's 17-point jobs plan, including the Invest in Neighborhoods (IIN) Initiative. Jobs Squad serves as a resource to neighborhood businesses by providing direct assistance, helping to cut "red tape" by facilitating businesses' communications with regulatory departments and access to City programs. Engagement is conducted at the individual business and corridor levels. They work in the 25 IIN corridors as well as approximately 35 other commercial districts. Many of the Jobs Squad's efforts focus on education and outreach in English and several Chinese dialects including Mandarin, Cantonese, and others, on topics as important as Americans with Disabilities Act (ADA) compliance or as routine as relocating a trash can.

Mr. Goyal and Mr. Chan communicated the findings of a business survey they recently conducted. Main corridor improvements requested by merchants were related to the visitor experience (addressing quality of life issues such as homelessness); safety (reinstitution of "beat" police officers and pedestrian safety improvements); cleanliness (sidewalk and street cleaning, as well as beautification projects); enhanced corridor marketing by the City; and improved customer accessibility (changes to parking policies). Top individual business concerns included rising commercial rents; compliance with government regulations and permitting; merchant safety; and availability of incentives provided by the City.

Commissioner Dooley thanked the Jobs Squad for its outreach efforts in North Beach. She inquired about the timeline for visiting all commercial corridors. Mr. Goyal said the timeline is flexible and often depends on issues that arise from time-to-time that require an immediate outreach effort.

Commissioner Yee Riley asked whether language barriers complicate interactions with the Chinese community due to the number of dialects. Mr. Chan explained he is fluent in Mandarin and Cantonese, and has a master's degree in Chinese languages.

Public comment was opened and one member of the public requested to speak.

Bob Planthold, disability advocate, suggested Jobs Squad please ensure that future community meetings be held in locations accessible to the disabled. He recounted an experience several years ago where a merchant meeting sponsored by a County Supervisor required attendees to climb three flights of stairs. This was unacceptable and excluded a key constituency, as the meeting was called to discuss ADA lawsuits.

Public comment was closed.

This was a discussion item only and no action was taken.

#### **6. Discussion and possible action on the package of policy recommendations from the Accessible Parking Policy Advisory Committee to increase parking access and reduce disabled parking placard misuse.**

Bob Planthold, disability expert and Lisa Foster, SFMTA Consultant, presented. Both participated on the Accessible Parking Policy Advisory Committee (APPAC). The Committee was comprised by 16 members, 9 of which are disabled. The Committee's work was driven by disabled persons for the benefit of the disabled, not driven by City staff.

Mr. Planthold and Ms. Foster explained how current parking policies and state laws fail to provide adequate



accessible parking for disabled persons. The Committee approached its work in consideration of three challenges: 1) People with disabilities cannot find accessible parking; 2) Accessible parking turnover rates are too low to provide sufficient disabled parking; and, 3) A public perception that persons with hidden disabilities do not deserve disabled placards.

The APPAC conducted extensive research of other jurisdictions' experiences addressing disabled parking challenges. The conclusion was that an effective strategy requires multiple supporting efforts, with enforcement alone insufficient to increase availability. The Committee made six recommendations with several sub-recommendations, with some requiring changes at the state- and others at the local-level:

- 1) Increase Blue Zones (local)
- 2) Improve Enforcement of Placard Misuse (state and local)
- 3) Increase Oversight of Placard Approvals (state and local)
- 4) Remove the Meter Payment Exemption Requirement (state)
- 5) Direct Revenue to Accessibility Improvements (local)
- 6) Allow Jurisdictions to Establish Reasonable Time Limits (state)

The APPAC recommendations will go before the SFMTA Board of Directors on November 19, 2013. If the Board approves, then SFMTA staff will seek a state legislative sponsor to pursue changes to the laws governing disabled parking. Meanwhile, SFMTA will begin implementation of changes at the local-level, including recommendations in #1 and #2. Ms. Foster explained there is additional information on disabled parking at SFMTA's website <http://www.sfmta.com/parkingaccess>.

Commissioner Dooley commented that the recommendations seemed well-balanced and respect both the disabled community and small businesses.

Commissioner O'Brien shared his experience with questionable use by a placard holder of a green zone he reserved in front of a business he operated. He also asked if there was any consideration of a special color designation for those with invisible disabilities, to help with improved public perception of placard holders. Based on his own experience with a close friend, he understands not all disabilities are evident from the exterior, and certain conditions may not be persistent but can have sudden onset. Finally, Commissioner O'Brien asked if the Committee had consulted with SFMTA as to whether it would consider revisiting its position of not constructing new off-street parking garages. Additional parking capacity could increase parking availability for the disabled and for general users.

Mr. Planthold responded that placard colors are subject to state regulations. Only two colors are authorized currently: Red – temporary in duration, six months or less; and, Blue – permanent, but subject to reissuance biennially. Regarding parking, the Committee did not specifically address overall parking capacity in its analysis.

Director Dick-Endrizzi asked whether there was an analysis of impacts to accessible parking availability by SFMTA's proposed or actual removal of large swaths on-street parking, to include blue zone disabled parking.

Mr. Planthold responded that the APPAC did not analyze that factor. Its focus was on increasing access to parking wherever such parking exists. The APPAC did, however, assess ways to modify the City's standards for siting disabled parking. Currently, many design restrictions prohibit the construction of additional accessible parking spaces, although minor changes to regulations could expand the potential supply of accessible spaces.

Commissioner Yee Riley commented on the imbalance between the number of disabled placards in the Bay Area and the number of available disabled parking spaces.

Commissioner Adams expressed support for the APPAC's recommendations. In particular, he supported the meter payment requirement as a mechanism to ensure regular turnover of spaces.

Public comment was called for and no members of the public appeared to speak.

Motion: Commissioner O'Brien motioned that the Small Business Commission endorse the APPAC's recommendations, with an additional request from the SBC to SFMTA to consider construction of additional off-street parking facilities to reduce parking congestion.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White.



Nay: None  
Absent: None

## **7. Review and discussion on recommendations to the SFMTA regarding Small Business.**

Director Dick-Endrizzi updated the commissioners on recent discussions and meetings between SFMTA and small business leaders. A small business working group has been formed and will meet with SFMTA Director Ed Reiskin on November 6, 2013. She commended Director Reiskin for his continued interest in trying to better serve small business, and Commissioner Adams and SFMTA Board of Directors Chairman Tom Nolan for agreeing to a joint meeting in December.

Director Dick-Endrizzi reviewed Commission recommendations made its meeting on May 6, 2013, when Director Reiskin presented. She sought Commission guidance on determine to maintain these points and use them as a framework for upcoming discussions with SFMTA.

Commissioner White asked that the siting policies and procedures for bus shelters be discussed.

Commissioner Dooley would like SFMTA to discuss the draft Environmental Impact Report (EIR) for its Transit Effectiveness Project (TEP). The document is 800 pages and identifies many significant impacts with no identified mitigation measures. Also, she would like SFMTA to address the topic of improved signage directing parkers to public parking lots. Many have poor signage and low usage. A related problem is high parking demand in North Beach on weekend evenings when the garage is closed.

Commissioner Ortiz-Cartagena requested an occupancy report on SFMTA's off-street parking facilities. He offered that SFMTA's reluctance to construct additional parking may be related to low usage rates at certain facilities.

Commissioner Dooley requested an opportunity review SFMTA's pertinent written plans before identifying additional specific questions for the upcoming meetings and hearing. Commissioners Yee Riley, White, and Adams agreed. Commissioner Adams added that it is important to conduct a detailed review of all SFMTA plans to identify internal contradictions or inconsistencies. One example he identified was the removal of loading zones in order to install bike lanes. This negatively impacts businesses and surrounding neighbors, as businesses shift deliveries to late evening or early morning periods to avoid peak bicycle ridership periods, or stop in-lane to perform deliveries which causes traffic backups.

Public comment was called for and no members of the public appeared to speak.

Director Dick-Endrizzi stated that staff would compile the commissioners' comments, present to the Outreach Committee on November 7, and bring before the full commission again on November 18 for adoption as the Commission's official position ahead of the joint SFMTA-SBC meeting in December 2013.

## **8. Directors Report.**

Director Dick-Endrizzi provided a written and verbal Director's report. She highlighted a few points from the written report:

- 1) The Small Business Assistance Center (SBAC) experienced a 3% drop in in-person clients served during the most recent quarter ending September 30. Staff believes one factor influencing the reduction was the License 1-2-3 online system, which may have satisfied the needs of clients without a visit to City Hall. Additionally, the steady decrease in the unemployment rate suggests fewer unemployed persons may be ventured into their own enterprises.
- 2) The Universal Health Care Council has two more meetings to discuss the interface between the Affordable Care Act and Health Care Security Ordinance.
- 3) Staff will present to the Board of Supervisors Budget and Finance Committee next week to request funding for the business portal Phase II project.
- 4) The operating agreement between Kiva Zip and the City and County is nearly complete. Once finished, staff will begin to pursue its first three borrowers.

## **9. President's Report.**

Commissioner Adams announced a change in the Commission's meeting schedule for November. He



rescheduled the meeting scheduled of November 11 to November 18 at 2 PM in observance of Veteran's Day, and cancelled the meeting of November 25 due to its proximity to the Thanksgiving holiday.

#### **10. Vice President's Report.**

Commissioner White announced her attendance at the San Francisco Chamber of Commerce's Neighborhood Summit held in District 5.

#### **11. Commissioner Reports.**

Commissioner Dooley reported that she attended a North Beach merchants meeting which was also attended by the Jobs Squad. The focus of the meeting was to inform merchants about ADA compliance. She also attended the Council of District Merchants Association meeting.

Commissioner Yee Riley reported she was interviewed by a Chinese-language television channel about the Small Business Commission. She promoted the SBAC's Chinese-language version of *How to Start a Business in San Francisco*.

#### **12. General Public Comment.**

General public comment was called for and one member of the public requested to speak.

Scott Hauge, owner of CAL Insurance and Vice Chair of the California Commission on Disability Access (CCDA), shared that the CCDA is trying to increase awareness about its role as an agency in support of disabled access. He also expressed interest in the SFMTA's APPAC, although he was unable to attend the Commission meeting in time to hear that agenda item (Item #6).

Public comment was closed.

#### **13. New Business.**

None.

#### **14. Adjournment.**

Motion: Commissioner Yee Riley motioned to adjourn.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: None

The meeting was adjourned at 3:52 PM.

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING CANCELLATION  
AND RESCHEDULING



Monday, November 11, 2013

5:30 PM

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS.

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

The Small Business Commission meeting of November 11, 2013, is cancelled.

The meeting has been rescheduled to 2 PM on Monday, November 18, 2013,  
and will be held in City Hall Room 416.

A meeting notice and agenda will be posted 72 hours in advance of the November 18 meeting.

11-05-13F01-39 REVD

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING & AGENDA



Monday, November 18, 2013

2:00 P.M.

CITY HALL, ROOM 416

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

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SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call.
2. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
3. Presentation of a Small Business Commission Certificate of Honor recognizing the San Francisco Chamber of Commerce Small Business Advisory Committee as part of the SBC's "Small Business Recognition Program." (Discussion Item)
4. Approval of the October 28, 2013 meeting minutes. (Action Item)  
Explanatory Documents: Draft October 28, 2013 minutes
5. Discussion and possible action on Board of Supervisors File No. 130998 [Planning Code - Cottage Food Operation Controls]: Ordinance amending the Planning Code, by adding Section 102.37 and amending Section 204.1, to allow Cottage Food Operation as an accessory use for dwelling unit and increase the allowable area for accessory uses in dwelling units; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Discussion and Possible Action Item)  
Explanatory Documents: BOS File No. 130998 (PDF), BOS File No. 130998 Legislative Digest  
Presentation by Judson True, Legislative Aide to Supervisor David Chiu.
6. Presentation and discussion on the role and function of the new Nightlife and Entertainment Sector position in the Invest in Neighborhoods Initiative. (Discussion Item)  
Presentation by Benjamin Van Houten, Project Manager, Nightlife & Entertainment Sector.
7. Presentation and discussion from mobile retail and services operators about their businesses and reasons for pursuing a mobile business platform. (Discussion Item)  
Presentation by several mobile retail and services operators.

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



8. **Presentation and discussion on the San Francisco Transportation Plan and the Early Action Program.** (Discussion Item)

Explanatory Documents: San Francisco Transportation Plan 2040

Presentation by Rachel Hiatt, Principal Transportation Planner, San Francisco County Transportation Authority.

9. **Presentation and discussion on findings from surveys administered to the City's Neighborhood Economic Development Organizations (NEDOs) and 10 City Departments.** (Discussion Item)

Explanatory Documents: Survey Report and Recommendations

Presentation by Ken Stram, 2Bridge Communications

10. **Discussion and possible action on preparation for and documents to transmit to the SFMTA Board of Directors in advance of a joint meeting of the Small Business Commission and SFMTA Board of Directors on December 9, 2013.** (Discussion and Possible Action Item)

11. **Presentation of a Small Business Commission Certificate of Honor recognizing Rob Black, Executive Director of the Golden Gate Restaurant Association, as part of the SBC's "Small Business Recognition Program."** (Discussion Item)

12. **Directors Report:** Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, update on legislative matters, and announcements regarding small business activities. (Discussion Item)

13. **Legislation and Policy Committee Report:** Allows the Chair to report on recent committee activities and make announcements. (Discussion Item)

14. **Outreach Committee Report:** Allows the Chair to report on recent committee activities and make announcements. (Discussion Item)

15. **President's Report:** Allows the President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)

16. **Vice President's Report:** Allows the Vice President to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)

17. **Commissioner Reports:** Allows Commissioners to report on recent small business activities and make announcements that are of interest to the small business community. (Discussion Item)

18. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)

19. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission. (Discussion Item)

20. **Adjournment.** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available for download by linking to the website agenda or [www.sfgov.org/sbc](http://www.sfgov.org/sbc), and are available for public inspection and/or copying at City Hall, Room 110. Please call Christian Murdock at (415) 554-6407 to make arrangements for pick up or review.

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## Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

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1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.sfgov.org](http://www.sfgov.org).

### Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

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CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY







[Planning Code - Cottage Food Operation Controls]

Ordinance amending the Planning Code, by adding Section 102.37 and amending Section 204.1, to allow Cottage Food Operation as an accessory use for dwelling units and increase the allowable area for accessory uses in dwelling units; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in ~~striktthrough italics Times New Roman font~~. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in ~~striktthrough Arial font~~. Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Board of Supervisors of the City and County of San Francisco hereby finds and determines that:

(a) General Plan and Planning Code Findings.

(1) (b) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

(2) Pursuant to Planning Code Section 302, the Board finds that the proposed ordinance will serve the public necessity, convenience and welfare for the reasons



1 set forth in Planning Commission Resolution No. \_\_\_\_\_, which reasons are  
2 incorporated herein by reference as though fully set forth.

3 (b) Environmental Findings. The Planning Department has determined that the  
4 actions contemplated in this ordinance comply with the California Environmental Quality Act  
5 (California Public Resources Code Section 21000 et seq.). Said determination is on file with  
6 the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and is hereby adopted by  
7 this Board and incorporated herein by reference.

8 (c) General Findings.

9 (1) The City wishes to support the growing movement in California for  
10 community-based food production connecting food to local communities, small businesses,  
11 and environmental sustainability, which has been referred to as "cottage food," "artisan food,"  
12 "slow food" or "locally-based food."

13 (2) Increased opportunities for entrepreneur development through  
14 microenterprises can help to supplement household incomes, prevent poverty and hunger,  
15 and strengthen local economies.

16 (3) Small businesses played an important role in helping slow economies  
17 recover and prosper as an engine of job creation. During the 1990s, small businesses  
18 created the majority of new jobs, and now account for 65 percent of the United States  
19 employment.

20 (4) San Francisco is a leader in the local food movement passing its urban  
21 agriculture reforms in 2011 to respond to the increased demand to produce and procure  
22 locally produced agricultural products.

23 (5) The State of California recently passed Assembly Bill 1616, which  
24 established regulations for cottage food operations and required cities and counties to permit  
25 cottage food operations in residential dwellings.



(6) Accordingly, this Board seeks to amend the Planning Code to permit cottage food operations as a permitted accessory use to dwelling units.

Section 2. The Planning Code is hereby amended by adding Section 102.37 and amending Section 204.1, to read as follows:

**SEC. 102.37. COTTAGE FOOD OPERATION**

An Accessory Use to a dwelling unit as defined in Section 113758 of the California Health and Safety Code.

**SEC. 204.1. ACCESSORY USES FOR DWELLINGS IN ~~R-OR-NC~~ ALL DISTRICTS.**

No use shall be permitted as an accessory use to a dwelling unit in any ~~R-OR-NC~~ District ~~which~~ that involves or requires any of the following:

(a) Any construction features or alterations not residential in character;

(b) The use of more than ~~4~~ 1/3 of the total floor area of the dwelling unit, except in the case of accessory off-street parking and loading or Neighborhood Agriculture as defined by Section 102.35;

(c) The employment of any person not a resident in the dwelling unit, ~~other than~~ with the following exceptions:

(1) a domestic servant, gardener, janitor or other person concerned in the operation or maintenance of the dwelling unit; or

(2) for a Cottage Food Operation, in addition to the foregoing exceptions, the employment of one employee who is not a family member or resident of the dwelling unit.

(d) Residential occupancy by persons other than those specified in the definition of family in this Code;



1 (e) In RH-1(D), RH-1 and RH-1(S) Districts, the provision of any room for a roomer  
2 or boarder with access other than from within the dwelling unit;

3 (f) Addition of a building manager's unit, unless such unit meets all the normal  
4 requirements of this Code for dwelling units;

5 (g) The maintenance of a stock in trade other than garden produce related to  
6 Neighborhood Agriculture as defined by Section 102.35 or materials and products related to a  
7 Cottage Food Operation; or

8 (h) ~~or the~~ The use of show windows or window displays or advertising to attract  
9 customers or clients; or

10 ~~(h)(i)~~ The conduct of a business office open to the public other than for sales related  
11 to garden produce of Neighborhood Agriculture as defined by Section 102.35 or to the finished  
12 products of a Cottage Food Operation; or

13 ~~(i)(j)~~ A Medical Cannabis Dispensary as defined in Section 209.3(k) and 217(k) of  
14 this Code.

15 Provided, however, that Subsection ~~(h)(i)~~ of this Section shall not exclude the  
16 maintenance within a dwelling unit of the office of a professional person who resides therein, i  
17 accessible only from within the dwelling unit; and provided, further, that Subsection ~~(g)(h)~~ shall  
18 not exclude the display of signs permitted by Article 6 of this Code.

19  
20 Section 3. Effective Date. This ordinance shall become effective 30 days after  
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
23 of Supervisors overrides the Mayor's veto of the ordinance.



1 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
5 additions, and Board amendment deletions in accordance with the "Note" that appears under  
6 the official title of the ordinance.

7  
8 Section 5. Undertaking for the General Welfare. In enacting and implementing this  
9 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not  
10 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it  
11 would be liable in money damages to any person who claims that such breach proximately  
12 caused injury.

13 Section 6. No Conflict with State or Federal Law. Nothing in this ordinance shall be  
14 interpreted or applied so as to create any requirement, power, or duty in conflict with any  
15 State or federal law.

16  
17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19 By: \_\_\_\_\_  
20 MARLENA G. BYRNE  
21 Deputy City Attorney

22 n:\landes\2013\1400175\00877456.docx  
23  
24  
25



(e) In RH-1(D), RH-1 and RH-1(S) Districts, the provision of any room for a roomer or boarder with access other than from within the dwelling unit;

(f) Addition of a building manager's unit, unless such unit meets all the normal requirements of this Code for dwelling units;

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Provided, however, that Subsection ~~(h)(i)~~ of this Section shall not exclude the maintenance within a dwelling unit of the office of a professional person who resides therein, if accessible only from within the dwelling unit; and provided, further, that Subsection ~~(g)(h)~~ shall not exclude the display of signs permitted by Article 6 of this Code.

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17 APPROVED AS TO FORM:  
18 DENNIS J. HERRERA, City Attorney

19 By: MARLENA G. BYRNE  
20 Deputy City Attorney

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22  
23  
24  
25







## LEGISLATIVE DIGEST

[Planning Code - Cottage Food Operation Controls]

Ordinance amending the Planning Code, by adding Section 102.37 and amending Section 204.1, to allow Cottage Food Operation as an accessory use for dwelling units and increase the allowable area for accessory uses in dwelling units; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

### Existing Law

The Planning Code does not currently provide for community-based food production (also referred to as "cottage food," "artisan food," "slow food," or "locally-based food") to operate as an accessory use in dwellings.

### Amendments to Current Law

The proposed legislation would amend the Planning Code to add a definition of "Cottage Food Operation", which definition references the California Health Code, and allow cottage food operations to operate as an accessory use in dwelling units under Section 204.1.

### Background Information

The State recently passed Assembly Bill 1616, which established regulations for cottage food operations and required cities and counties to permit cottage food operations in dwellings.







# San Francisco Transportation Plan (SFTP) and Early Action Plan

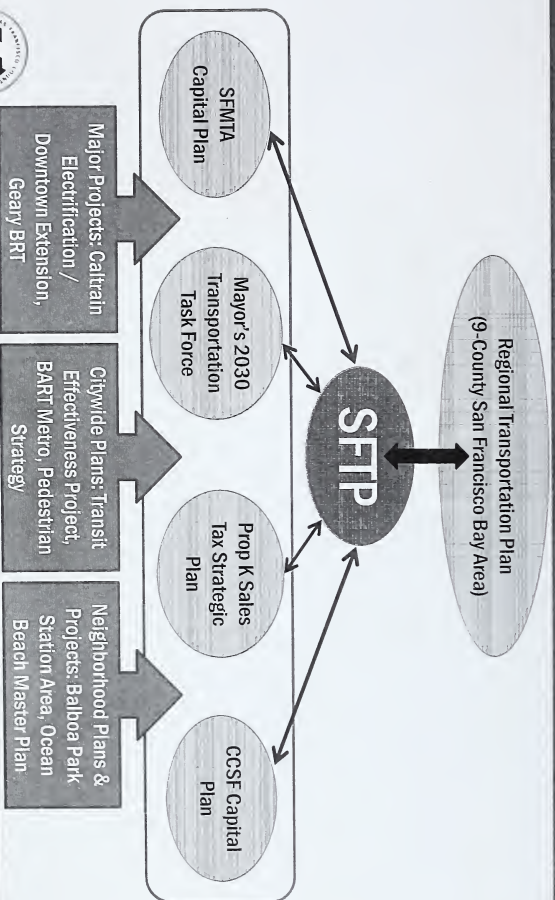
October 2013



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

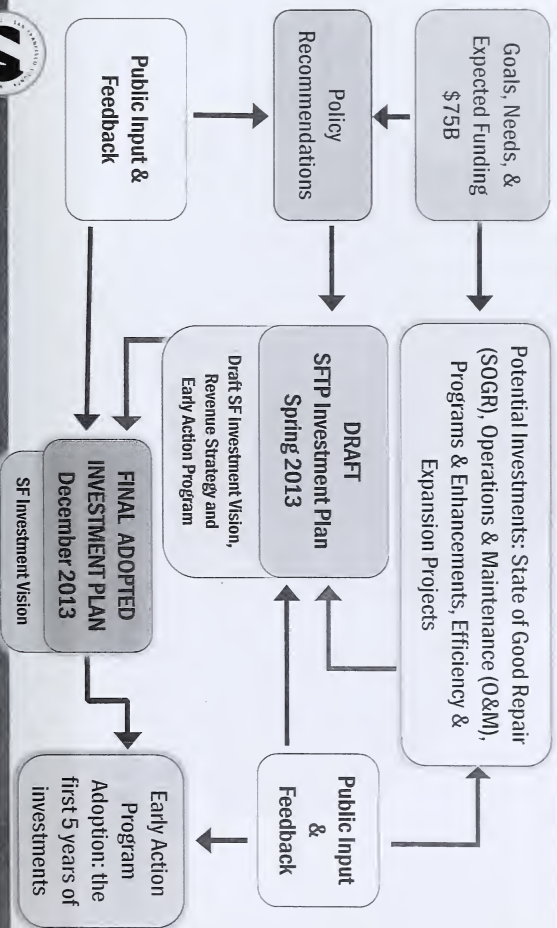


# Purpose of the San Francisco Transportation Plan (SFTP)





# Developing the SFTP





# SFTP Revenue Forecast The Investment Plan



"Discretionary:" \$ \_\_\_\_\_  
we can choose how  
to spend  
\$5.0B - 7%

Committed  
to operations &  
maintenance of  
streets  
\$5.1B - 7%

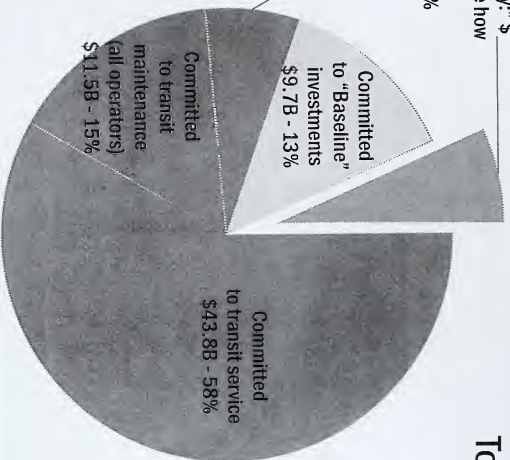
Committed  
to "Baseline"  
investments  
\$9.7B - 13%

Committed  
to transit  
maintenance  
(all operators)  
\$11.5B - 15%

Committed  
to transit service  
\$43.8B - 58%

**Total Expected Revenue  
through 2040  
= \$75 billion**

**Figures in Year-of-Expenditure \$**





# What are the public's priorities?

Increased  
transit capacity  
and service

Transit system  
maintenance  
for reliability

pedestrian  
safety and  
traffic calming

Community  
partnerships  
for mobility





# SFTP Investment Scenarios: Uses of Discretionary Funds



## The Investment Plan (Total \$75.0 B)

Muni & regional transit operations and maintenance (existing system)	\$0.91
Local street operations and maintenance	\$0.98
Programs & enhancements	\$1.23
Efficiency and expansion projects (incl. new transit service)	\$1.88
Total Discretionary Funds	\$5.00





# SFTP Investment Scenarios: Uses of Discretionary Funds



	The Investment Plan (Total \$75.0 B)	SF Investment Vision (Total \$82.5 B)
Muni & regional transit operations and maintenance (existing system)	\$0.91 +	\$2.85
Local street operations and maintenance	\$0.98 +	\$0.57
Programs & enhancements	\$1.23 +	\$1.30
Efficiency and expansion projects (incl. new transit service)	\$1.88 +	\$2.79
Total Discretionary Funds	\$5.00 +	\$7.51





# The SFTP In Five Recommendations



Stability in transit operations and maintenance



Coordinated street delivery in neighborhoods citywide



Community partnerships for mobility and demand management



System efficiency projects for all modes



Project delivery and revenue strategies





# Stability in transit operations and maintenance



The Investment Plan		The SF Investment Vision	
Muni & Regional Transit: continued and new operations and new vehicles	<ul style="list-style-type: none"><li>• Additional \$10M/year</li><li>• Nearly 20% crowding reduction on the most crowded lines</li></ul>	<ul style="list-style-type: none"><li>• Additional \$70M/ year; provides funds to operate 100% of scheduled Muni service</li><li>• Nearly 40% crowding reduction on the most crowded lines</li></ul>	
	<ul style="list-style-type: none"><li>• Vehicle replacement, all operators</li><li>• 70% of critical assets, all operators</li><li>• Full funding for Muni vehicle maintenance</li></ul>	<ul style="list-style-type: none"><li>• 100% of critical assets, (e.g. vehicles, systems) for all operators</li></ul>	
Muni & Regional Transit: capital asset maintenance			





# Coordinated street delivery in neighborhoods citywide



		The Investment Plan	The SF Investment Vision
Local streets & roads: maintenance		Maintain today's pavement condition	Meet City pavement condition goals ("good")
		<ul style="list-style-type: none"><li>• 40% of the City's Pedestrian Strategy (nearly 20 miles of pedestrian upgrades)</li><li>• 25% of the City's Bicycle Strategy</li></ul>	<ul style="list-style-type: none"><li>• Fully fund the Pedestrian and Bicycle Strategies</li><li>• Over 40 miles of pedestrian upgrades</li></ul>
Equity and neighborhood transportation		\$5M/year for planning, projects and/or transit service	\$10M/year supporting neighborhood plans and projects in every district





# Community partnerships for mobility and demand management



## Transportation Demand Management

### Congestion Pricing

The Investment Plan	The SF Investment Vision
Continue existing programs and introduce new policies and pilots	Expanded employer, school, and community programs <ul style="list-style-type: none"><li>• Vehicle sharing</li><li>• Bikeshearing</li><li>• Parking management</li><li>• And more</li></ul>
Northeast Cordon and Treasure Island	
Up to 10% auto trip reduction Up to 12% GHG emission reduction	Lower congestion and increased travel options resulting in up to 14% auto trip reduction, and up to 15% GHG emission reduction





# System efficiency projects for all modes



The Investment Plan		The SF Investment Vision	
<b>Rapid Transit Network Development</b>	<ul style="list-style-type: none"> <li>• Build 15 miles of dedicated transit lanes</li> <li>• Nearly 15% speed improvement on Muni's Rapid Network via Transit Effectiveness Project (TEP), Bus Rapid Transit (BRT) on Geary, Geneva, Potrero / Bayshore</li> </ul>	<ul style="list-style-type: none"> <li>• M-line grade separation</li> <li>• Funding for over 30 miles of dedicated transit lanes</li> <li>• Nearly 20% speed improvement on Muni's Rapid Network</li> </ul>	
	<b>Freeway Performance Initiative (FPI)</b>	Multiple carpool projects	
<b>Transit Enhancements</b>	Study + one carpool facility project	Increase funding moderately for these types of improvements	





# Project delivery and revenue strategies



Deliver small and large

improvements more quickly

Revenue strategies

Major capital projects  
(System upgrades and expansion)

The Investment Plan	The SF Investment Vision
<ul style="list-style-type: none"><li>• Pilot new, more efficient ways to deliver major capital projects</li><li>• Prioritize coordination and delivery of smaller, complete streets projects</li></ul>	<ul style="list-style-type: none"><li>• Advocate for new local transportation revenues</li></ul>
<ul style="list-style-type: none"><li>• Position San Francisco for a fair share of new federal, state, and regional revenues</li><li>• Caltrain Electrification and Downtown Extension</li></ul>	<ul style="list-style-type: none"><li>• BART Metro, long range transit network development</li></ul>





# SFTP Investment Scenarios: Uses of Discretionary Funds



	The Investment Plan (Total \$75.0 B)	SF Investment Vision (Total \$82.5 B)
Muni & regional transit operations and maintenance (existing system)	\$0.91 +	\$2.85
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Programs & enhancements	\$1.23 +	\$1.30
Efficiency and expansion projects (incl. new transit service)	\$1.88 +	\$2.79
Total Discretionary Funds	\$5.00 +	\$7.51





# SFTP Revenue Strategy

## New Federal, State, Regional Funds

**\$5 BILLION**  
**DISCRETIONARY**

### **SF Investment Plan**

Includes both existing and anticipated new federal, state, and regional revenues.

**ANTICIPATED REVENUES: \$3.7B**

**EXISTING REVENUES: \$1.9B**





# SFTP Revenue Strategy New Locally-Controlled Funds

REVENUE STRATEGY  
SAN FRANCISCO  
TRANSPORTATION PLAN  
2040

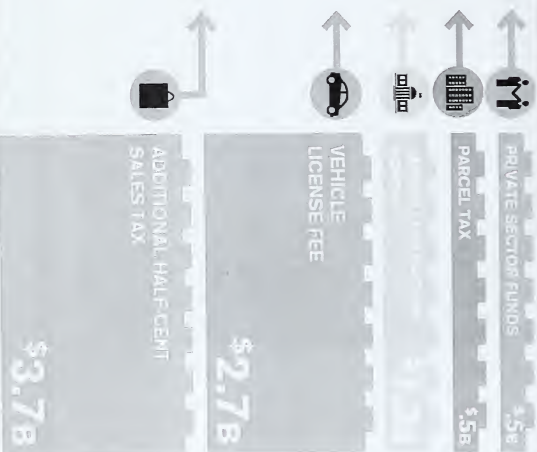
**\$7.5 BILLION**

## ADDITIONAL DISCRETIONARY

### SF Investment Vision

A combination of the local funding sources from the right can provide the additional \$7.5B needed beyond the SF Investment Plan to achieve the \$82.5B SF Investment Vision.

The Mayor's Transportation 2030 Task Force is developing recommendations for potential new local transportation revenues.



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY



# Small Group Discussion

**We want to hear your feedback on the SFTP and  
Revenue Strategy... let's discuss!**





# Early Action Program

## What is it?



- ▶ Represents first five years of SFTP transportation investments
- ▶ Uses the Prop K half-cent local transportation sales tax as seed money
- ▶ Leverages federal, state, regional and other local funds – making each dollar go much further
- ▶ Advances SFTP policies (e.g. follow the paving)
- ▶ Authority Board can concurrently adopt the SFTP and Early Action Program in December 2013





# Early Action Program Equity



- ▶ Fund Bicycle Strategy and Pedestrian Strategy projects citywide
- ▶ Neighborhood planning funds for each district
- ▶ Two neighborhood projects in each district
- ▶ Funds to study access to jobs and services in Communities of Concern





# Early Action Program Complete Streets

- ▶ Sets aside funds for planning and implementation of Complete Streets enhancements to add on to paving projects
- ▶ Save money and minimizes construction disruption
- ▶ Dedicated follow-the-paving funds for pedestrian, bicycle, traffic calming, transit (e.g., bus stop improvements) and traffic signals





# Early Action Program

## Increase Reliability/Reduce Transit Travel Time

Metropolitan  
SAN FRANCISCO  
TRANSPORTATION PLAN  
2040

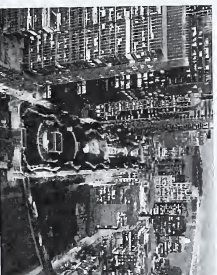
- ▶ Transit Effectiveness Project
- ▶ Muni vehicle replacement
- ▶ Signal upgrades to support transit signal priority





# Early Action Program Major Capital Projects

- ▶ Caltrain Electrification
- ▶ Caltrain Downtown Extension
- ▶ Geary Bus Rapid Transit
- ▶ Better Market Street





# MyStreetsSF Proposed EAP Projects



[www.mystreetsf.com](http://www.mystreetsf.com)





# Next Steps

► **Public Outreach**

► **Open Houses**

Oct. 2<sup>nd</sup>: **Bayview Opera House**, 6pm - (*thanks to those who came!*)

October 8<sup>th</sup>: **SFCTA Offices, Hearing Room**, 6pm - (*thanks!*)

October 10<sup>th</sup>: **SF State, Towers Conference Center**, 6pm

- Targeted outreach to Communities of Concern / non-English speaking communities

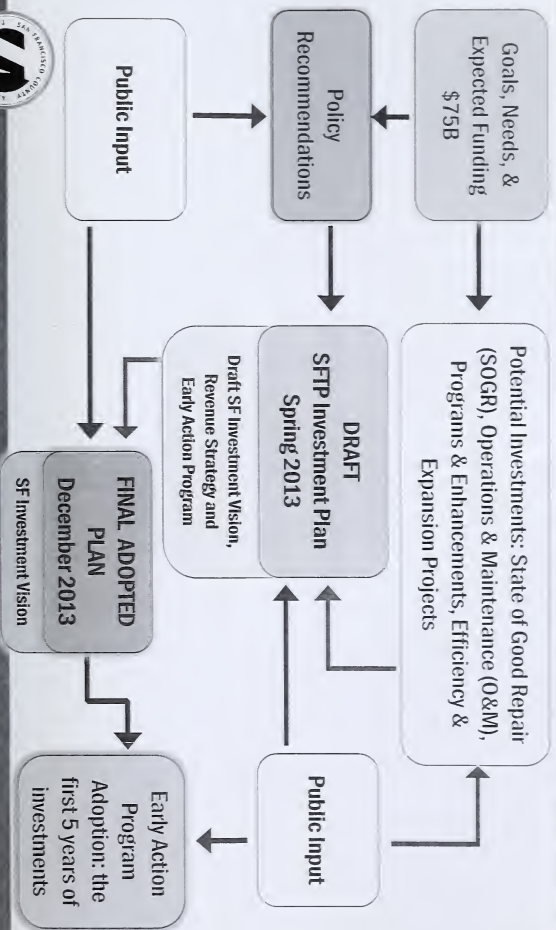
► **Update Plans and Programs Committee and CAC (October/November)**

► **SFTP and EAP Adoption (December)**





# Next Steps





*Thank You!*

**SFCTA**

[movesmartsf@sftcta.org](mailto:movesmartsf@sftcta.org)

[www.movesmartsf.com](http://www.movesmartsf.com)

[www.sfbudgetczar.com](http://www.sfbudgetczar.com)

[www.mystreetsf.com](http://www.mystreetsf.com)

**415.593.1670**



**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**



# 2Bridge Communications

## 2013 Stakeholder Satisfaction Interviews with City Departments and Neighborhood Economic Development Organizations (NEDOs) for the San Francisco Office of Small Business and its Assistance Center

### Report & Recommendations

Prepared by Ken Stram & Sabrina Bozek  
October 30, 2013

#### Overview:

It has been five years since the passage of Proposition I and the establishment of The Office of Small Business and its Assistance Center.

Proposition I specified the duties and functions of OSB as follows:

#### *SEC. 2A.241. OFFICE OF SMALL BUSINESS.*

- (a) *Duties and Functions. The Office of Small Business, which shall be a City department under the direction of the Small Business Commission, shall perform the following functions to assist small businesses located in San Francisco with a total workforce of 100 or fewer fulltime employees:*
- 1. Centralize and coordinate the information and advice services to small businesses managed by other City departments.*
  - 2. Operate a Small Business Assistance Center which shall support the full diversity of San Francisco's small businesses with information concerning:*
    - (A) business structure and formation, obtaining necessary licenses, accessing resources and finding appropriate real estate;*
    - (B) obtaining City permits;*
    - (C) bidding on government contracts and participating in the City purchasing process;*
    - (D) complying with government laws and regulations; and*
    - (E) adopting "green" and sustainable business practices.*
  - 3. Perform such other duties and functions to benefit small businesses as directed by the Small Business Commission or as assigned by the Mayor under Charter section 4.132*
- (b) *Assistance and Support from Other Departments. The following City departments shall provide information and staff assistance to the Office of Small Business regarding compliance with the laws and regulations administered by their departments that impact small businesses: Assessor, Building Inspection, Environment, Fire, Human Rights Commission, Mayor's Office of Community Development, Office of Labor Standards Enforcement, Parking and Traffic, Planning, Police, Public Health, Public Works, Purchasing, Treasurer/Tax Collector, and such other departments as directed by the Mayor.*

The Executive Director of the Office of Small Business and the Small Business Commission felt this important, five-year milestone presented a good opportunity to conduct a survey of key stakeholders. The goal of the survey was to



ask stakeholders about their satisfaction levels with the Office of Small Business and its Assistance Center's (OSBAC) knowledge, customer service, professionalism, communications, and a variety of other aspects related to the OSBAC's efforts to serve the City's small businesses. The survey would also provide a vital feedback loop to help the OSBAC adjust and improve its services going forward.

2Bridge Communications (2Bridge), a San Francisco-based small business consulting firm, was hired to conduct the survey. 2Bridge met with the OSBAC on a number of occasions to understand the scope, goals, and objectives of the project, to refine the survey document, and to discuss protocol for reaching out to the OSBAC's stakeholders.

2Bridge conducted a total of 20 confidential, in-person interviews, including interviews with representatives from 10 NEDOs and interviews with key representatives from 10 City Departments. Interviews were conducted in person and the answers from specific organizations were confidential, excluding those found in the Appendix.

### **Report Contents:**

This report contains the following sections:

<b>1) Key Findings and Recommendations</b>	Page 3
<b>A: NEDO Findings &amp; Recommendations</b>	Page 3
<b>B: City Department Findings &amp; Recommendations</b>	Page 4
<b>C: Positive Verbatim Feedback from City Departments and NEDOs</b>	Page 5
<b>2) NEDO-specific Responses</b>	Page 7
<b>3) City Department-specific Responses</b>	Page 12
<b>4) Appendices</b>	Page 15
<b>A: Open-ended NEDO Responses (not confidential)</b>	Page 16
<b>B: Open-ended City Department Responses (not confidential)</b>	Page 18
<b>C: NEDO Understanding of Department Roles</b>	Page 21
<b>D: Survey Questions</b>	Page 22



## 1) Key Findings and Recommendations:

### A. NEDOs

- NEDOs that interact frequently with the OSBAC gave the department the highest ratings, and NEDOs that interact less frequently with the OSBAC gave the department the lowest ratings.
  - **Recommendation:** Hold regularly scheduled meetings with NEDOs. Regular meetings would give the OSBAC the opportunity to demonstrate the role it plays in supporting NEDOs and small businesses as well as a regular chance to relay new information on policy changes and to network with the NEDOs.
- The OSBAC received the lowest satisfaction ratings from NEDOs that receive few small business referrals. Several NEDO survey participants indicated they do not receive many referrals from the OSB throughout the year.
  - **Recommendation:** Increase referrals to NEDOs and strive to make small business referrals to all of the NEDOs. The easiest way for the OSBAC to increase NEDO satisfaction would be through increased number of referrals.
- A few of the NEDO survey participants said they do not receive the OSBAC email newsletter.
  - **Recommendation:** The newsletter email distribution list should be revised to ensure all appropriate contacts receive it regularly. The OSBAC should also be able to view and track email newsletter analytics to determine who opens the newsletter, who opts out of the newsletter, and which emails are bouncing back and therefore are not being delivered.
  - Several NEDO contacts mentioned a hard-copy or printable version of the newsletter would be beneficial to place in the waiting room for clients to read. The OSBAC should provide paper copies of the newsletter, or if this is cost-prohibitive, provide instructions and make it easy for NEDOs to print out .pdf versions of the newsletter to share with clients.
- NEDO survey participants said they like seeing the OSBAC staff at community events – during Small Business Week in particular, and they said they would like to see OSBAC in the community more often.
  - **Recommendation:** Communicate via the newsletter and/or the aforementioned regular meetings as to when and where staff will be attending events.
- We asked NEDO survey participants to describe their understanding of the respective roles of the following City departments (Appendix C includes anonymous responses to these questions. The responses indicate the need for education regarding the roles of these organizations.):
  - Office of Small Business
  - Small Business Assistance Center
  - Small Business Commission



- Office of Economic and Workforce Development
  - **Recommendation:** Educate and remind NEDOs about the roles OSB, SBAC, OEWD, and the Small Business Commission play respectively in supporting the City's small business community.
- Several NEDOs mentioned they do not always have OSBAC marketing materials on hand for clients as they do not request more materials regularly. If they do have the booklet, it is not in the language needed for clients (Spanish or Mandarin).
  - **Recommendation:** Use a regularly scheduled meeting to check with NEDOs periodically to make sure they have of the "How to Start a Business in San Francisco" booklet in the appropriate languages. Ask them to distribute the booklets to clients and to let the OSBAC know when they are running low on these important marketing materials.

## B. City Departments

- Overall, the OSBAC received positive ratings from City department survey participants. But the OSBAC received lower satisfaction ratings from City departments that have little or no interaction with the department. For example, the OSBAC received the lowest ratings from City Departments that interact with the department 2-3 times per year. One City Department survey participant said, "They need to understand when (our department) should be involved." The same representative said, "They make changes without checking in with (our) department."
- **Recommendations:** More frequent, regular communications and interactions with *all* City department stakeholders would increase satisfaction with the OSBAC.
- OSBAC should consider meeting with key representatives of all relevant City departments once a year (minimum) to maintain stronger relationships. A few of the survey respondents said that the OSBAC should visit or tour their department to "see the spectrum of what they do."
- Promote City departments in the OSBAC newsletter. The appendices at the end of this report provide basic information about all of the City departments interviewed. This content could be repurposed to include in newsletters, and we believe the City departments would appreciate being featured in upcoming OSBAC newsletters. Small business owners would benefit, and they would learn how to be prepared for successful meetings with City departments.
- Promote City department services and workshops in the OSBAC newsletter.
- Several City department representatives mentioned hesitation to send referrals to the OSB office because of office hour confusion.



- **Recommendation:** Publishing the weekly office hours for City departments would help increase referral traffic.
- City Department survey participants were surveyed to find out if they ask whether a small business client was referred *by* the OSBAC, or if they make referrals *to* the OSBAC. Most of the survey participants said that they don't request this information, but they would if the OSBAC made such a request.
- More specifically, two City department representatives mentioned that there is no protocol for making referrals.
  - **Recommendation:** Establish a protocol to encourage City Departments to find out if small businesses have been referred by the OSBAC and to refer all small business clients to the OSBAC. Having a clear protocol or system for tracking and making referrals would increase the number of referrals between departments and satisfaction levels.

## **2) Positive Impact Verbatim Responses:**

Overall, City department and NEDO survey participants expressed high levels of satisfaction with the OSBAC, and survey participants provided many positive statements about the OSBAC, including:

- "We notice that a lot of (small business) people are educated before they come here."
- "OSB is pretty flexible and willing to sit down with the department when necessary to help business owners."
- "They are very knowledgeable. Marvelous. Extraordinary."
- "Prior to OSB, I used to get a lot of emails about the whole process of how to start a business. I don't get them anymore."
- "They're a big help during the peak period."
- "They refer a lot of businesses to us."
- "They are doing the best they can – the public they serve is so diverse, that a score of 4-4.5 is great!"

Most survey participants know OSBAC Case Managers by name. One survey participant suggested cloning OSBAC Case Manager Martha Yanez to improve satisfaction ratings.

The majority of survey participants also recognized the important role the OSBAC plays in supporting small businesses. One participant said, "San Francisco owes it to small businesses to navigate the bureaucracy." Another participant recognized the "silos" that exist in San Francisco and suggested giving the OSBAC more staff to help serve small businesses.



Survey participants were asked to describe the ways the OSBAC makes a positive impact on their respective department or organization. Here are some of the responses we received:

- "They are a resource for us by reiterating our policies to small business owners and by distributing our literature."
- "Time! They deal with entrepreneurs first, so they save us time."
- "OSB has helped us discover a lot more businesses since they put our form online."
- "Many times it's obvious that people have been prepared by OSB. They don't send people here unless they're prepared." "Time, preparation, all of the above. SBAC is vital."





## 2) NEDO Interview Summary of Responses:

The following section includes a summary of the responses and insights provided by the NEDOs.

NEDOs who were interviewed include:

- |   |  |
|---|--|
| 1. La Cocina                                  | 6. SFMADE  |
| 2. LGBT Center                                | 7. Small Business Development Center (SBDC)      |
| 3. Mission Economic Development Agency (MEDA) | 8. Southeast Asian Community Center (SEACC)      |
| 4. Pacific Community Ventures                 | 9. Women's Initiative for Self Employment (WISE) |
| 5. Renaissance Entrepreneurship Center        | 10. Working Solutions                            |

(We also attempted to interview a representative from Urban Solutions, but we were unable to arrange an interview appointment prior to the conclusion of the survey.)

### Are NEDOs Satisfied with the OSBAC's Customer Service?

NEDO representatives were asked to "rate" how satisfied they are with the OSBAC in a variety of contexts on a scale of 1-5, where 1 = "Very Dissatisfied" and 5 = "Very Satisfied." (Please see Appendix D for complete text of questions asked.)

Figure 1

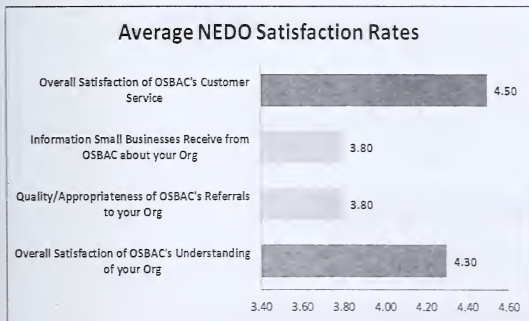


Figure 1 (left) shows the average score by NEDOs for each question regarding satisfaction rating.

Green bars indicate a positive score while yellow indicates a neutral score.

The "Overall Satisfaction" and "OSB's Understanding and Knowledge of your Organization" scored the highest number of "Very Satisfied" responses. The quality and number of "Referrals" and "Information Received from the OSB" received similar scores in the 3.5 range, indicating a need for improvement.

Throughout discussions with NEDOs, many contacts indicated the number of referrals to be very small annually. When referrals are made, they are helpful and appropriate.



Additionally, with the "Information Received" question, a few contacts indicated they do not receive information consistently enough to provide a rating of 4 or 5, and gave a Neutral score.

Figure 2

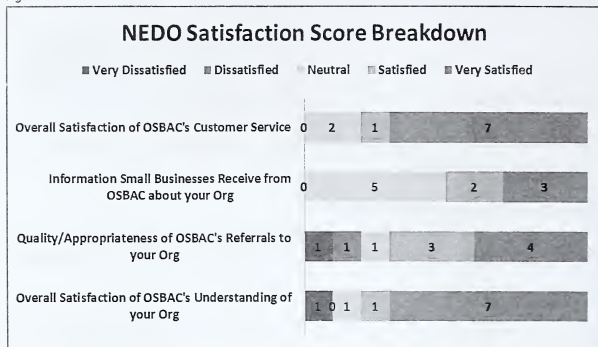


Figure 2 (left) shows a breakdown of the answers given for the same satisfaction questions. Looking at the breakdown of responses to the left, you will see that the "referrals" question has a higher number of negative

responses, bringing down the average score. An increased number of referrals would have the most impact in adjusting satisfaction ratings with NEDOs.

Figure 3

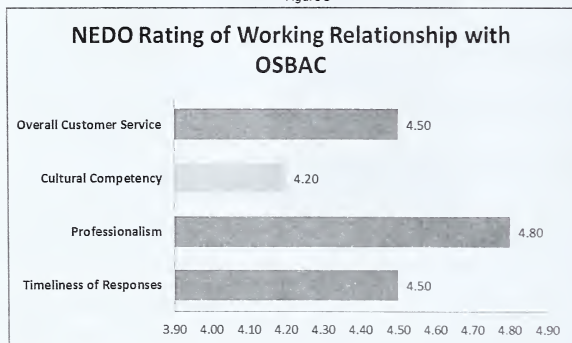


Figure 3 (right) shows the average scores of the NEDOs' satisfaction with OSBAC's basic customer service. The OSBAC staff received high ratings all around with "Professionalism" rating the highest. All felt the staff was professional, responded in a timely manner, and provided excellent customer

service to entrepreneurs and NEDO contacts.



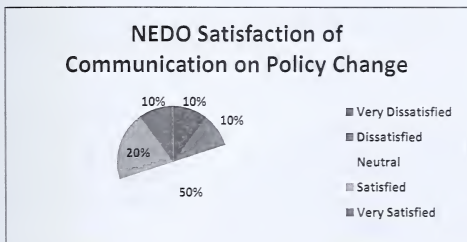
"Cultural Competency" had the lowest rating; however none of the responses fell below a "Neutral" rating. One contact felt there should be additional fluent Spanish-speaking staff at the OSBAC, as many entrepreneurs they work with do not speak English.

#### Are NEDOs Satisfied with the OSBAC's Communications?

To address the satisfaction regarding the OSBAC's communication regarding changes in legislation, policy, and economic development, we asked survey participants to rate it on a scale of 1-5. 1 = Very Dissatisfied, 5 = Very Satisfied.

Figure 4 (below) shows the percentage of average scores from all NEDO contacts. Most participants lean towards "Neutral" regarding communication about changing policies. The majority (70%) indicated they do not regularly receive information, which is the reason they are either "Neutral" or "Dissatisfied".

Figure 4



We also asked participants to rate the Helpfulness of the newsletter content.

Figure 5 (right) shows the breakdown of responses when asked, "How helpful is the newsletter content?" Half of the responses were "Satisfied" or above, and the other half provided "Neutral" ratings. However, some people do not receive the newsletter regularly and gave a "Neutral" response.

A couple of contacts indicated that they only skim the content and admitted they sometimes may not get as much out of it as possible.

Figure 5





Verbatim responses:

- "The newsletter is the only form of information and sometimes I don't receive it."
- "I'm sure other people in the office receive the newsletter."
- "There's nothing 'wrong' with the OSB's communication, I just don't receive it ALL the time."
- "The newsletter is overwhelming and hard to decipher which information is relative to me when scanning for content."

### Do NEDOs Receive and Distribute the OSBAC's Marketing Materials?

Participants were asked whether they receive "collateral marketing materials" from the OSBAC and whether they make the collateral marketing materials available to clients. It is important to note that the "How to Start a Business in San Francisco" booklet is only marketing document NEDO representatives acknowledged receiving from the OSBAC besides the OSBAC newsletter.

Figure 6

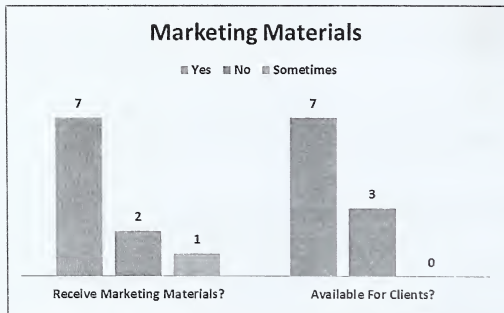


Figure 6 (left) shows that many NEDO contacts have received the "How to Start a Business in San Francisco" booklet, although it is not always available for clients.

Only one NEDO said that they regularly order more materials when necessary for clients. Others indicated they do not have materials on hand at all times.

However, several other contacts mentioned that this booklet is

not in languages other than English and often not of help to clients.

### What Referral Tools do the NEDOs Use?

We asked NEDOs what tools (if any) they use to track inbound client referrals and to make outbound client referrals to other organizations for additional services.

Survey participants indicated that the most common methods for tracking inbound and outbound referrals are 1) via Salesforce.com and 2) the referral tool managed by the San Francisco Economic Development Alliance (SFEDA). Tracking methods vary between organizations but most do track inbound referrals. NEDOs generally do not follow up with outbound referrals unless they continue working with a client.







Many survey participants commented that they really like to see the OSBAC staff at community events. Participants said that the OSBAC is present in the community during Small Business Week. Some indicated that they think the OSBAC could have more of a presence at community events, however they recognize resources are limited.

### **3) City Department Interview Summary of Responses:**

*The following content summarizes various question segments captured throughout the City department interviews. City departments who were interviewed include:*

- |                                       |  |
|---------------------------------------|--|
| 1. Assessor Recorder                  | 6. Entertainment Commission              |
| 2. County Clerk                       | 7. Fire Department                       |
| 3. Department of Building Inspection  | 8. Office of Labor Standards Enforcement |
| 4. Department of Environmental Health | 9. Public Utility Commission             |
| 5. Department of Planning             | 10. Treasurer & Tax Collector            |

(We also attempted to arrange interviews with the Police Department and the Contract Monitoring Division, but we were unable to reach the appropriate contacts at these departments. Additionally, we reached the Office of Contract Administration, but the Department representative said that she didn't think she had relevant information to provide and therefore declined to participate in the survey.)

### **Are City Departments Satisfied with the OSBAC's Customer Service?**

*City Department representatives were asked to "rate" how satisfied they are with the OSBAC in a variety of contexts on a scale of 1-5, where 1 = "Very Dissatisfied" and 5 = "Very Satisfied." (Please see Appendix D for complete text of questions asked.)*

**Figure 8**

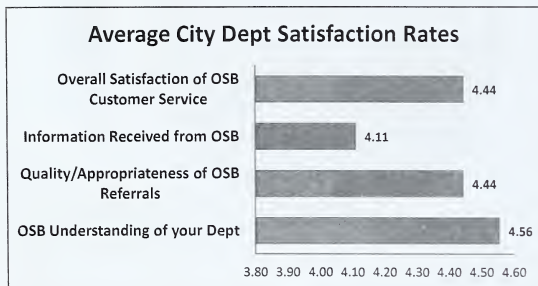


Figure 8 (left) shows the average score by City departments for each question regarding satisfaction rating.

All responses indicate a very positive overall rating as none of the responses fall below a 4 or "Satisfied."

While responses were all positive, several survey participants did provide helpful suggestions, noted below:



#### Verbatim responses:

- "Is there a checklist for different parts of the process? OSB's work is invisible to us."
- "If they had more people, they could be more effective."
- "They are very knowledgeable. Marvelous. Extraordinary."
- "They're a big help during the peak period."

Figure 9

It should be noted in Figure 9 (right) that the satisfaction responses for "The information received from OSB" garnered several Neutral responses, although the average rating remained above a 4.

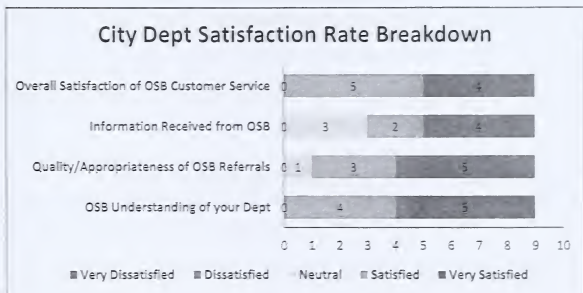


Figure 10

The OSB staff also received very positive scores from the City department survey participants, as shown in Figure 10 (right).

For both sets of satisfaction questions, responses never fell below a Neutral rating.





Describe the OSBAC's Positive Impact on Your Department:

City Department contacts were asked to provide examples of how the OSB makes a positive impact on their department.

*Verbatim responses:*

- "Time! They deal with entrepreneurs first, so they save us time."
- "OSB has helped us discover a lot more businesses since they put our form online."
- "Many times it's obvious that people have been prepared by OSB. Martha doesn't send people here unless they're prepared."
- "Time, preparation, all of the above. SBAC is vital."

City Department Input Regarding Communications with the OSBAC:

City departments were not asked specifically to rate communications with the OSBAC, however several survey participants made comments and suggestions that are important to note, below:

*Verbatim responses:*

- "There could be better communications protocol between departments and OSB. Which staff should be contracted and why."
- "If they have time, they should visit the department and see the spectrum of what we do."
- "It would be great if could jointly get funding to have an embedded OSB staff member here -- a planner to work with small businesses."
- "They should have more people. There's too much siloing in San Francisco. What we need is an assistance center where everyone is together in one place."
- "OSB should give small business owners a button that says, 'I just visited OSB!'"
- "Let small businesses know that we have a workshop to help people fill out the form."
- "Prior to the OSB, I used to get a lot of emails about the whole process of how to start a business. I don't get them anymore!"



### City Department Input Regarding Referrals:

City department survey participants were asked to describe the appropriateness of referrals made by the OSBAC to glean how effective the entities work together in serving small businesses. Notable responses are listed below.

#### *Verbatim responses on Referrals:*

- "There's no protocol for this."
- "We do not refer people because OSB is appointment-only [and there's] no consistency with their schedule."
- "I don't think they're open all the time (budget issue)."
- "There's no form for this. Maybe if they created an application or form?"
- "Regarding whether we refer clients to OSB, we don't, but we certainly could in the future."

## **4) Appendices**

**Appendix A:** Non-confidential responses from NEDOs regarding: the services they provide to small businesses; the most common areas of confusion about their services; and the stage of business they work with by percentage.

**Appendix B:** Non-confidential responses from City Departments regarding: the services they provide to small businesses; the most common areas of confusion about the department; the things a small business owner should do in advance to be prepared for a successful meeting with the department; and the stage of business they work with by percentage.

**Appendix C:** We were asked to find out whether NEDOs understand the roles of the Office of Small Business, the Small Business Assistance Center, the Small Business Commission, and the Mayor's Office of Economic and Workforce Development, respectively. Appendix C includes anonymous responses to these questions.

**Appendix D:** The questionnaire used for the NEDO and City Department interviews.

**Appendix E:** Proposition I.



### Appendix A: Open-Ended NEDO Survey Responses

*NEDO contacts were asked to list common services small business owners solicit, common areas of confusion people have about the organization, as well as which stages of businesses they work with and the percentage breakdown for each segment.*

Organization Name	Most Commonly Requested Services	Common Areas of Confusion	Stage of Business % Breakdown
La Cocina	<ul style="list-style-type: none"> <li>Commercial kitchen space,</li> <li>Business licenses/permits,</li> <li>Financial information for food companies</li> </ul>	<ul style="list-style-type: none"> <li>Many people think they are full (no vacancy)</li> <li>Whether or not they qualify for LaCocina's services</li> </ul>	Pre-startup: 60%, Startup: 25%, Existing: 15%, Expanding: 10%
LGBT Center	<ul style="list-style-type: none"> <li>Refine business plan,</li> <li>Connect to financing,</li> <li>Network/grow client base</li> </ul>	<ul style="list-style-type: none"> <li>People think that they can use the services to directly market to LGBT database,</li> <li>People are surprised they offer support to low income people,</li> <li>Think you need to be LGBT to receive help</li> <li>Some think the LGBT Center is a micro-lender</li> </ul>	Pre-startup: 10%, Startup: 70%, Existing: 15%, Expanding: 4%, Relocating: 1%
MEDA	<ul style="list-style-type: none"> <li>Business development,</li> <li>Tax services,</li> <li>Foreclosure Prevention,</li> <li>Financial education</li> </ul>	<ul style="list-style-type: none"> <li>People think they need to pay for services,</li> <li>Sometimes people ask for additional services not provided like marketing their business</li> </ul>	Pre-startup: 60%, Startup: 25%, Existing: 15%, Expanding: 10%
Pacific Community Ventures	<ul style="list-style-type: none"> <li>Seeking capital,</li> <li>Cash flow analysis,</li> <li>Social media marketing</li> </ul>	<ul style="list-style-type: none"> <li>What kind of capital they offer and who is appropriate to receive which kinds,</li> <li>The difference between Debt/Equity,</li> <li>There are many different arms of the org, which can be confusing to navigate</li> </ul>	Startup: 25%, Existing: 75%
Renaissance Entrepreneurship Center	<ul style="list-style-type: none"> <li>Training to start business,</li> <li>Business plan development,</li> <li>Marketing help</li> </ul>	<ul style="list-style-type: none"> <li>People think they only serve start-ups,</li> <li>People think the organization is fully funded by the City</li> </ul>	Pre-startup: 40%, Startup: 30%, Existing: 20%, Expanding: 10%
SF MADE	<ul style="list-style-type: none"> <li>Sourcing materials and local supply chain help to access local resources,</li> <li>Technical assistance for the business;</li> <li>City permits and regulation info</li> </ul>	<ul style="list-style-type: none"> <li>Who SF MADE supports and what the org does in general/how they support manufacturers,</li> <li>People think that they are tied to the City or are For-Profit</li> </ul>	Pre-startup: 25%, Startup: 25%, Existing: 25%, Expanding: 25%



	(how to access/collect info)		
Small Business Development Center (SBDC)	<ul style="list-style-type: none"> <li>• Access to capital,</li> <li>• How to increase customers/clients,</li> <li>• How to run a better business</li> </ul>	<ul style="list-style-type: none"> <li>• People confuse SBDC with SBA,</li> <li>• Don't know SBDC offers free services,</li> <li>• Confusion about location</li> </ul>	Pre-startup: 40%, Existing: 60%
Southeast Asian Community Center (SEACC)	<ul style="list-style-type: none"> <li>• Looking for money (85% of the time),</li> <li>• General help starting a business,</li> <li>• Permits;</li> <li>• How to buy a business</li> </ul>	<ul style="list-style-type: none"> <li>• Many people are confused by the name-- serve everybody, not just Asians.</li> </ul>	Startup: 50%, Existing: 40%, Expanding: 10%
Women's Initiative for Self-Employment (WISE)	<ul style="list-style-type: none"> <li>• Licensing/permits,</li> <li>• Labor issues (how to hire someone, workers comp),</li> <li>• Requirements on what is needed to open business-- online vs physical store,</li> <li>• Leasing questions,</li> <li>• Obtaining capital</li> </ul>	<ul style="list-style-type: none"> <li>• Unclear on who qualifies for training,</li> <li>• People think they will receive housing or the org will serve as an unemployment substitute and learn to use a computer during training sessions</li> </ul>	Pre-startup: 100%
Working Solutions	<ul style="list-style-type: none"> <li>• Loans,</li> <li>• Financial projections,</li> <li>• Business plan,</li> <li>• Resources for startup (permitting/licensing)</li> </ul>	<ul style="list-style-type: none"> <li>• Loans—people assume they are a good candidate, no due diligence done,</li> <li>• No business plan but expect help on putting it together</li> </ul>	Pre-startup: 25%, Startup: 25%, Existing: 25%, Expanding: 25%



### Appendix B: Open-Ended City Department Responses

*City department contacts were asked to list common services small business owners solicit, common areas of confusion people have about the organization, what steps are advised to help the department service small businesses more efficiently, as well as which stages of businesses they work with and the percentage breakdown for each segment.*

Organization Name	Common Services Provided	Common Areas of Confusion	Steps Needed to Help Dept Service Better	Stage of Business % Breakdown
Assessor Recorder	<ul style="list-style-type: none"> <li>Filling out the 571-L business property statement,</li> <li>What they need to know and why they received this form</li> </ul>	<ul style="list-style-type: none"> <li>Businesses close in April (for example) but they received the form anyway.</li> <li>Businesses are confused about why they have to fill out this form</li> </ul>	Bring documentation: <ul style="list-style-type: none"> <li>Federal income tax forms,</li> <li>Purchase documents,</li> <li>Depreciation schedules,</li> <li>Financial statements.</li> </ul>	Startup: 30%, Existing: 70%
County Clerk	<ul style="list-style-type: none"> <li>Fictitious business name statements (FBN),</li> <li>professional registrations (e.g., process servers and notaries of public),</li> <li>handles everything that the court doesn't handle, statement of abandonment of FBN,</li> <li>Withdrawal of a partner from an FBN</li> </ul>	<ul style="list-style-type: none"> <li>They think the clerk is the court,</li> <li>They think they're also the recorder,</li> <li>They confuse us with the Clerk of the Board, People are confused about their own business in general ("they just want to sell candy")</li> </ul>	<ul style="list-style-type: none"> <li>Visit the website,</li> <li>Go to the Tax Collector's office first,</li> <li>In general, what we do is a step-by-step process</li> </ul>	We work with all stages of businesses.
Entertainment Commission	<ul style="list-style-type: none"> <li>We're a regulatory agency – we permit and regulate nighttime economy.</li> <li>Entertainment venues, nightclubs, live music, cafes, anything with live entertainment.</li> <li>We provide extended hours permits for after 2:00 a.m. events, outdoor events, festivals, concerts, etc.</li> </ul>	<ul style="list-style-type: none"> <li>It's pretty straightforward. We work with a subset of businesses.</li> <li>The confusion relates to businesses that want to push the grey areas.</li> </ul>	<ul style="list-style-type: none"> <li>Go to planning before you sign a lease.</li> <li>Get a read on the neighbors to see if you're going to end up being a nuisance</li> </ul>	We work with all stages of businesses.
Department of Building Inspection	<ul style="list-style-type: none"> <li>Permit assistance for people trying to open a small business. Specifically ADA and California Building Code</li> </ul>	<ul style="list-style-type: none"> <li>How to get through the process</li> </ul>	<ul style="list-style-type: none"> <li>To get a permit, business owner needs to bring in the plans.</li> <li>Usually it's the architect they are dealing with.</li> </ul>	We work with all stages of businesses except closing.



Department of Environmental Health	<ul style="list-style-type: none"> <li>• Businesses want to be educated. "I want to start a restaurant – how do I do it?"</li> <li>• Small businesses are doing something illegally and they want to be legal.</li> <li>• People want to understand if something they want to do is feasible.</li> </ul>	<ul style="list-style-type: none"> <li>• How we liaison with other agencies, Fire, Planning, DBI,</li> <li>• You need a plan check from us before you can build a restaurant,</li> <li>• Sometimes people can rent a space, but planning has zoning requirements. They get stuck, because they can't do what they want to do.</li> <li>• Hard for people to know the path – the hoops they need to jump through. If they need permits from different departments.</li> </ul>	<ul style="list-style-type: none"> <li>• Have a business plan,</li> <li>• Don't realize how much money they will need to get off the ground. (She will recommend that people get started by getting a caterer's permit and renting space in a permitted kitchen)</li> </ul>	Majority are Pre-startups. People get stuck in the Start-up and Existing stages
Fire Department	<ul style="list-style-type: none"> <li>• Fire clearance inspections to get a permit from another department,</li> <li>• Operational permits,</li> <li>• Community services for small businesses,</li> <li>• Department will also conduct research for small businesses to let them know what is allowable and any existing violations</li> </ul>	<ul style="list-style-type: none"> <li>• Small businesses are usually sent by other agencies, so they know what they need by the time they arrive</li> <li>• Everyone needs a clearance.</li> </ul>	<ul style="list-style-type: none"> <li>• Visit the website to get the "referral inspection list";</li> <li>• Contact the area permit officer to look at the business</li> </ul>	n/a
Department of Planning	<ul style="list-style-type: none"> <li>• Early determinations (or "reads") of whether they can sign a commercial lease;</li> <li>• assistance with timing and "hurry-up" requests;</li> <li>• Signage (in conjunction w/ DBI),</li> <li>• How to resolve compliance-related issues</li> </ul>	<ul style="list-style-type: none"> <li>• Whether they need to deal with planning at all (usually "yes"),</li> <li>• They try to understand the planning code themselves;</li> <li>• When you need a permit (also with DBI)</li> </ul>	<ul style="list-style-type: none"> <li>• The more information they can give to us, the more we can help them in return. (e.g., floor plans, address of establishment, etc.)</li> </ul>	Pre-startup: 60%, Startup: 20%, Expanding: 10%, Relocating: 10%
Public Utility Commission	<ul style="list-style-type: none"> <li>• Within customer service, we assess architectural plans for businesses.</li> <li>• And if because of the nature of the business, we note a greater impact on H2O consumption or H2O waste we assess a capacity change (restaurant, bakery, etc.)</li> <li>• The idea is to alleviate the burden on rate</li> </ul>	<ul style="list-style-type: none"> <li>• It's a confusing concept. People assume they are getting a new meter.</li> <li>• We collect 50% of the fee with the permit fees, and then we come back a year later to get the second fee.</li> <li>• It is an abstract fee; a confusing charge.</li> </ul>	<ul style="list-style-type: none"> <li>• Have it on their radar that this is something they should inquire about.</li> <li>• Small businesses are hiring experts – they should ask, "will I get a capacity charge?"</li> <li>• It's a concept</li> </ul>	Pre-startup, Startup, and Expanding



	payers who are not stressing the system.		that needs to be explained up front.	
Treasurer & Tax Collector	<ul style="list-style-type: none"> <li>• Register the business,</li> <li>• Request adding a dba location or business name,</li> <li>• Change organizational legal structure (requires opening and closing),</li> <li>• They didn't get their registration certificate,</li> <li>• Making update re: name change</li> </ul>	<ul style="list-style-type: none"> <li>• They confuse business registration &amp; regulatory license,</li> <li>• Registering their dba with the county clerk;</li> <li>• Due dates for payroll &amp; registration.</li> </ul>	<ul style="list-style-type: none"> <li>• They can come in to download the application form;</li> <li>• They get the form @ the front desk, but it would be better to do online;</li> <li>• If not sole proprietor, they need to file with State first.</li> </ul>	Startup: 40%, Relocating: 15%, Business acquisition: 15%, Closing: 25%



### **Appendix C: NEDOs' Understanding of the Roles of OSB, SBAC, OEWD, and Small Business Commission**

*In order to determine whether more marketing efforts should be created to educate small businesses and NEDOs on which City branches service which specific functions, we asked NEDOs to describe their understanding of the role distinctions between the Small Business Assistance Center (SBAC), the Office of Small Business (OSB), the Small Business Commission (SBC) and the Office of Economic and Workforce Development (OEWD).*

Role of SBAC	Role of OSB	Role of SBC	Role of OEWD
<ul style="list-style-type: none"> <li>• Mostly a referral agency to get help for small biz.</li> <li>• Navigate city services.</li> </ul>	<ul style="list-style-type: none"> <li>• Not different than SBAC</li> </ul>	<ul style="list-style-type: none"> <li>• Inform about policy and connect small business with political players.</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee city funding of technical assistance for small businesses.</li> <li>• Help with the workforce, like job placement.</li> </ul>
<ul style="list-style-type: none"> <li>• Not completely sure - Arrange networking events/seminars,</li> <li>• Provide consultations for students.</li> </ul>	<ul style="list-style-type: none"> <li>• Overall small business help</li> </ul>	<ul style="list-style-type: none"> <li>• Not sure but they don't provide emails or free phone number for low-income people to contact them.</li> </ul>	<ul style="list-style-type: none"> <li>• I don't work with them directly</li> </ul>
<ul style="list-style-type: none"> <li>• Same as OSB?</li> </ul>	<ul style="list-style-type: none"> <li>• Direct client services</li> </ul>	<ul style="list-style-type: none"> <li>• Appointed by Mayor, meet monthly.</li> <li>• Discuss and advocate for small business.</li> <li>• Regina = liaison, but don't know how they are they connected</li> </ul>	<ul style="list-style-type: none"> <li>• Give out grants (OSB gives opinion on who should get grants)</li> </ul>
<ul style="list-style-type: none"> <li>• Unfamiliar</li> </ul>	<ul style="list-style-type: none"> <li>• Help with policy issues</li> </ul>	<ul style="list-style-type: none"> <li>• Provide voice for small businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Powerhouse partner - works closely with our organization</li> </ul>
<ul style="list-style-type: none"> <li>• Referrals and answer direct questions regarding small biz;</li> <li>• Doesn't provide services</li> </ul>	<ul style="list-style-type: none"> <li>• Help people establish business in City.</li> <li>• Liaison to city;</li> <li>• Problem solvers for permitting and other specific needs</li> </ul>	<ul style="list-style-type: none"> <li>• Policy</li> </ul>	<ul style="list-style-type: none"> <li>• Financial support and tech assistance to NEDOs;</li> <li>• decide on how funds are allocated (have a bigger impact on NEDOs)</li> </ul>
<ul style="list-style-type: none"> <li>• Not sure of specifics of breakdown of departments</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Advocates for small business.</li> </ul>	<ul style="list-style-type: none"> <li>• Staff works closely with them.</li> <li>• They provide grants</li> </ul>
<ul style="list-style-type: none"> <li>• Provide clearing house for info about small business</li> </ul>	<ul style="list-style-type: none"> <li>• Center for organizations and individuals to communicate effectively about issues in small business</li> </ul>	<ul style="list-style-type: none"> <li>• Influence/set policy</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor's City/government office.</li> <li>• Allocates money to support small businesses</li> </ul>



## Appendix D: NEDO and City Department Survey Questionnaire

### SURVEY INTRODUCTION AND QUESTIONS FOR NEDOS & CITY DEPARTMENTS

*"I am a third party consultant gathering feedback on how well the Office of Small Business and its Assistance Center works with your organization in support of the City's small businesses.*

*"I am also gathering input to help design a survey questionnaire of small businesses to assess the adequacy of the Office's operations and activities and to identify successes and areas for improvement.*

*"I do not work for the city and our conversations will remain anonymous and hopefully can be candid. This is your opportunity to help me identify what issues the OSB should focus on when evaluating its interactions with small businesses.*

*"This should only take 20- 30 minutes of your time. Your input will provide a vital feedback loop that will help to adjust and improve OSBs services going forward."*

### Part I: Interview Questions for Both NEDOs and City Departments

#### **1. Basic background information about the Organization being interviewed:**

- What are the 3-5 most common requests small businesses make of your Organization?
- What are the most common areas of confusion small businesses have about your Organization?
- What are the top 3-5 things small business owners need to do to be prepared for a successful meeting with your Organization? Documents/Paperwork needed in advance?

#### **2. OSB's knowledge of the Organization being interviewed, appropriateness of referrals, and customer service:**

- On a scale of one to five, how satisfied are you with OSB's understanding of the role your organization plays in supporting small businesses?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- On a scale of one to five, how satisfied are you with the appropriateness of the OSB's small business referrals to your Organization?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- On a scale of one to five, how satisfied are you with the information small businesses receive from SBAC prior to visiting your Organization?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- Overall, how would you rate your level of satisfaction with SBAC's knowledge and understanding of your Organization?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- What can OSB do in the future to earn a score of 5?



### 3. The Organization's working relationship with OSB:

- On average, how often do you interact with the OSB?
  - Daily
  - Weekly
  - Once a month
  - 2-3 times a year
  - Once a year
  - I do not interact with the OSB
- How satisfied are you with the timeliness of the responses you receive when you contact the OSB?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- How satisfied are you with the professionalism of the OSB staff?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- How would you rate the cultural competency of the staff at OSB when dealing with your organization and the clients you refer there?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

Please explain your rating.

- Overall, how would you rate the customer service your Organization receives from the OSB?

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

- What can OSB do in the future to earn a score of 5?

Please describe:

### 4. Value add, Successes & failures

- In what ways does the OSB make a positive impact on your Organization? (Prompts: time served, appropriateness of referrals, small businesses are better prepared, small businesses are more knowledgeable, small business owners have gone to the website prior to visiting your Organization, etc.)

Please describe:

- Can you provide 1 or 2 specific examples of occasions when you recognized that small businesses were better prepared as a result of the information or counsel they received from the OSB prior to visiting your Organization?

Please describe:

- Can you provide 1 or 2 specific examples of occasions when small business owners were mistakenly referred to your organization or had received incorrect information from OSB?



Please describe:

- Does your staff know to make referrals for business owners back to the OSB?

#### 5. General Impressions & feedback

- What are the 3-5 most likely reasons why you would call upon the OSB for assistance?

Please rank them in order of importance:

- Do you ask your clients if they've been referred by the OSB?

If no, why not?

- What are the 3-5 areas you would like to see changed/improved by the OSB? (Prompts: communications, knowledge of your department, customer service, timeliness, appropriateness of referrals, website, etc)

Please list:

#### **Part II: Additional NEDO Questions:**

#### 6. Knowledge of the following entity's role in supporting small businesses.

- Please describe your understanding of the Small Business Assistance Center's role in supporting the City's small businesses.
- Please describe your understanding of the Office of Small Business's role in supporting the City's small businesses.
- Please describe your understanding of the Small Business Commission's role in supporting the City's small businesses.
- Please describe your understanding of the Office of Economic and Workforce Development's role in supporting the City's small businesses.

#### 7. What stage of small businesses does your organization typically work with?

- Pre-startup: Considering starting a business, need to do research and planning
- Startup: 0-1 years in business, need to register, need info on additional requirements, need financing or technical assistance
- Existing: 1+ years in business, needs financing, biz management assistance, info on business programs, contracting, etc
- Expanding: Looking to grow business, including capital access, new product development, new location, new hires
- Relocating: existing businesses seeking to move to a new location
- Business Acquisition: Business has transferred ownership, sold, or bought an existing business
- Closing: Business is closing, will close, or has closed



- Please estimate the percentage of clients that fall into each categories:

8. Do you use any referral tracking tools to refer small businesses to other NEDOs, City Departments or other organizations?

If yes, please describe:

9. Do you follow up with small businesses after you have referred them to the OSB?

10. If yes, please rate your impression your clients satisfaction levels with the service they have received from OSB:

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

11. Please rate OSB's communication with you about economic development, new legislation, or changing policies and regulations.

(1 Very Dissatisfied, 2 Dissatisfied, 3 Neutral, 4 Satisfied, 5 Very satisfied)

12. Does OSB provide you with their collateral marketing materials? Are these materials accessible to your clients?

13. Do you receive the OSB newsletter? How would you rate the content included in the newsletter?

(1 Vey unhelpful, 2 Unhelpful, 3 Neutral/I don't read it, 4 Helpful 5 Very helpful)

14. Is there any additional information or feedback you would like to share about OSB or issues that were not covered in this survey?

### **Part III: Small Biz Survey:**

1. What are 2 questions you think should be asked of small businesses for evaluating their experience with the OSB?

###









SMALL BUSINESS COMMISSION  
DRAFT MEETING MINUTES



Monday, November 18, 2013  
2:00 P.M.

CITY HALL, ROOM 416  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

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SMALL BUSINESS COMMISSIONERS

Stephen Adams, President  
Monetta White, Vice President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order and roll call.

The meeting was called to order at 2:07 PM. Commissioners Adams, Dooley, Dwight, O'Brien, Yee Riley, and White were present. Commissioner Ortiz-Cartagena arrived at approximately 2:13 PM, after consideration of Items 1-2. Commissioner Dwight departed the meeting at approximately 4:10 PM, after consideration of Item 11 and before consideration of Item 10 (agenda was reordered, as indicated under Item 9).

2. General Public Comment. (Discussion Item)

General Public Comment was called for and no members of the public requested to speak.

3. Presentation of a Small Business Commission Certificate of Honor recognizing the San Francisco Chamber of Commerce Small Business Advisory Committee as part of the SBC's "Small Business Recognition Program." (Discussion Item)

Commissioner Dwight made a brief verbal presentation outlining the recipient organization's contributions to the small business community in San Francisco, and presented the Certificate of Honor. Commissioner Adams and Director Dick-Endrizzi added commendatory comments.

4. Approval of the October 28, 2013 meeting minutes. (Action Item)

Explanatory Documents: Draft October 28, 2013 minutes

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: None

5. Discussion and possible action on Board of Supervisors File No. 130998 [Planning Code - Cottage Food Operation Controls]. (Discussion and Possible Action Item)

Explanatory Documents: BOS File No. 130998 (PDF), BOS File No. 130998 Legislative Digest

Judson True, Legislative Aide to Supervisor David Chiu, presented. No Planning Department staff was present.

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SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



Mr. True provided an explanation of the provisions of the proposed ordinance, while mentioning two topics on which he had engaged with Office of Small Business staff prior to the meeting: 1) Expanding accessory use authorization for one employee to certain other business categories beyond Cottage Food Operations; and, 2) Discussion of the necessity for a zoning referral and fee.

A number of commissioners asked questions regarding the zoning referral and fee (subsequently referred to collectively as "zoning referral").

Commissioners White and O'Brien inquired as to the purpose for the zoning referral given that the proposed ordinance would authorize Cottage Food Operations (CFOs) within dwelling units in all zoning districts. Mr. True indicated that since the regulations would be codified in the Planning Code, it was the Planning Department's responsibility to ensure compliance before authorizing the Department of Public Health (DPH) to issue a permit.

Commissioners White and Dooley asked whether other home-based businesses are subject to a zoning referral. Mr. True confirmed that CFOs were the only home-based businesses that required a zoning referral, but felt they were unique in that no other home-based business requires a DPH-issued permit. Additionally, they are different in that they allow an employee to work within the residence, as provided in State law.

Commissioner Adams asked for clarification of whether DPH reviewed these permits. Mr. True confirmed that that DPH does review CFO applications, similar to a restaurant application.

Commissioner Ortiz-Cartagena expressed support for the legislation, and asked whether it would inadvertently allow edible marijuana baked goods. Mr. True stated that he believed existing Medical Cannabis Dispensary regulations would prevent any type of cannabis product from being incorporated with a CFO, but would confirm at a later date. Commissioner Ortiz-Cartagena also conveyed his opinion that certain situations may justify Planning Department involvement in the review of CFOs, particularly if a prior use at a location could somehow render it unsafe for use as a CFO.

Commissioner Dwight expressed his concerns similar to other commissioners that a zoning referral may be arbitrary since the proposed ordinance would permit such a use throughout the city.

Commissioner O'Brien asked whether Supervisor Chiu, the legislative sponsor, supports the zoning referral. Mr. True indicated that Supervisor Chiu respects the Planning Departments stated need to be involved in the review of CFOs and supports the fee attached with its involvement. Commissioner O'Brien shared his experience in submitting items for review to the Planning Department, and feels that often the permit fees charged are disproportionate to the minor amount of work performed by Planning Staff. Mr. True responded that the need for Planning Department involvement essentially comes down to whether DPH can interpret the Planning Code, and he feels it is inappropriate to expect them to do that.

Commissioner White asked whether any specific outreach had been performed to La Cocina or other groups that are involved in home-made foods. Mr. True indicated no specific outreach had been performed, but that Supervisor Chiu's office has an ongoing relationship with many of these groups resulting from his long-standing support of urban agriculture and other locally-produced food initiatives. Commissioner White also asked if any part of the application process would notify a landlord or have impacts for a tenant. Mr. True said he was not aware of any such impacts stemming from the proposed review process.

Commissioner Yee Riley asked whether both DPH and the Planning Department would maintain records on CFO applications, and whether the two departments could share the information without additional fees. Mr. True said that may be possible. Commissioner Yee Riley stated that the addition of the zoning referral tipped the balance toward unaffordability for many very small entrepreneurs, especially for Class B licenses.

Commissioner Dooley commented that the benefits of this legislation are many, and that the Commission should focus any opposition very narrowly against the zoning referral without condemning the entire legislation. Commissioner Ortiz-Cartagena expressed agreement with Commissioner Dooley's comments.

Written correspondence was received from SFMade (dated 11/15/2013) and La Cocina (11/18/2013). Both letters supported the CFO legislation generally but opposed imposition of a zoning referral.

Public comment was called for and one member of the public requested to speak.

Daniella Sawaya, Program Coordinator for La Cocina, spoke in support of allowing CFOs but in opposition to the zoning referral. She stated that many of her clients considering this type of business have marginal incomes already, and any additional fees present a substantial barrier to their start-up.



Public comment was closed.

Motion: The Commissioners debated several versions of a motion, settling on a motion by Commissioner Yee Riley to recommend approval of BOS File No. 130998, with two modifications.

- 1) That the Planning Department further study and carefully scrutinize the relevance of a zoning referral and fee for Cottage Food Operations (CFOs);
- 2) That the Department of Public Health be authorized to share with the Planning Department information pertaining to CFO permits, including permit location, license type, approval and expiration dates, permittee name, and other pertinent information.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: None

**6. Presentation and discussion on the role and function of the new Nightlife and Entertainment Sector position in the Invest in Neighborhoods Initiative. (Discussion Item)**

Benjamin Van Houten, Project Manager, Nightlife & Entertainment Sector, presented.

Commissioner Adams commented that the nightlife industry is a major sector of San Francisco's economy, and he appreciates Mr. Van Houten's work supporting it.

Public Comment was called for and no members of the public requested to speak.

**7. Presentation and discussion from mobile retail and services operators about their businesses and reasons for pursuing a mobile business platform. (Discussion Item)**

Christina Ruiz of Top Shelf Boutique, and Ted Horan and Hollis Kelley of Gorilly Showrooms, both mobile retailers, presented. They described their particular business models and their reasons for choosing mobile platforms.

Commissioner Dwight noted that one common concern regarding mobile retail is that it will obscure, visually or operationally, existing merchants and merchant corridors. However, his proclivity is to err on the side of innovation.

Commissioner Dooley noted that she supports mobile retail to the extent that it enters and attempts to energize underserved neighborhoods.

Commissioner Yee Riley asked how mobile retailers decide where they will setup and operate, and how clients locate them. Mr. Kelley indicated that since his products frequently change, he targets setup locations based on the current product's primary demographic. His business relies on Twitter and Instagram (social media platforms) to inform customers of where he is setup. Ms. Ruiz responded that she also relies on social media to inform customers of her location, and that given how her product type changes less frequently, she tries to locate near events where her customer demographic may already be in attendance, or by collaborating with a brick-and-mortar business with complimentary goods.

Commissioner Adams expressed his support of collaborations with existing brick-and-mortar businesses, and that he thinks this new sector of retail is exciting and innovative.

Public Comment was called for and no members of the public requested to speak.

**8. Presentation and discussion on the San Francisco Transportation Plan and the Early Action Program. (Discussion Item)**

Explanatory Documents: [San Francisco Transportation Plan 2040](#)

Rachel Hiatt, Principal Transportation Planner, San Francisco County Transportation Authority (SFCTA), presented. She requested feedback from the Commission on investment scenarios and policy recommendations contained in the draft 30-year SFCTA transportation plan.

Commissioner Dooley asked for an update on a previous proposal for congestion pricing in the city's northeast



corridor. She urged the SFCTA to take a closer look at this concept, based on her work with merchant corridors. The hours proposed are when restaurants and other businesses get deliveries, subjecting them to surcharges. Additionally, the area is heavily residential and residents may also be subjected to a toll to transit to and from their residences. She understands congestion pricing and thinks it has value when applied correctly; a better approach would be to capture only those commuters entering San Francisco from Marin, Oakland, and San Mateo County. It is important to avoid penalizing such a broad group of residents and businesses. Ms. Hiatt explained that in the plan under discussion, congestion pricing is one of many demand management tools being analyzed to support achievement of various transportation and environmental goals. Work is ongoing at the SFCTA to assess which demand management tools and at what times are most appropriate.

Public Comment was called for and no members of the public requested to speak.

**9. Presentation and discussion on findings from surveys administered to the City's Neighborhood Economic Development Organizations (NEDOs) and 10 City Departments. (Discussion Item)**

Explanatory Documents: Survey Report and Recommendations

Ken Stram of 2Bridge Communications presented. He explained survey results gathered and analyzed by his firm.

Commissioner Adams commented on the value of having these results.

Public Comment was called for and no members of the public requested to speak.

**MOTION TO REORDER AGENDA**

Motion: Commissioner Yee Riley motioned to reorder the agenda by calling Item 11 ahead of Item 10.

2<sup>nd</sup>: Commissioner Dooley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: None

**11. Presentation of a Small Business Commission Certificate of Honor recognizing Rob Black, Executive Director of the Golden Gate Restaurant Association, as part of the SBC's "Small Business Recognition Program." (Discussion Item)**

Director Dick-Endrizzi made a brief verbal presentation outlining the recipient's contributions to the small business community in San Francisco, and presented the Certificate of Honor. Commissioners White and Adams added additional commendatory comments.

**10. Discussion and possible action on preparation for and documents to transmit to the SFMTA Board of Directors in advance of a joint meeting of the Small Business Commission and SFMTA Board of Directors on December 9, 2013. (Discussion and Possible Action Item)**

Director Dick-Endrizzi explained she was seeking confirmation of the major discussion topics the Commission would like addressed by the SFMTA at the upcoming joint meeting. She described a list of topics she had prepared based on the SFMTA Director of Transportation's presentation at the Commission's meeting on May 6, 2013.

Commissioner Ortiz-Cartagena expressed his interest in discussing small business contracting opportunities with the SFMTA and the process to apply, including resources to help first-time contractors navigate the process.

Commissioners Dooley and Adams requested that preservation of loading zones be discussed in light of new infrastructure projects, especially streetscaping and bicycle lane projects, that commonly propose to eliminate them. They expressed the importance of ensuring that commerce can continue, citing recent small business difficulties along Valencia Street, Divisadero Street, and Columbus Avenue.

Commissioner Dooley also requested a discussion of the addition of new off-street parking facilities, and emphasized the importance of establishing small businesses as an important SFMTA stakeholder. Commissioner Ortiz-Cartagena agreed with the latter.

Commissioner Yee Riley suggested that certain items of lower priority be communicated by SFMTA via written



materials to allow sufficient time for verbal discussion of the highest priority items.

Public Comment was called for and no members of the public requested to speak.

No formal action was taken.

**12. Directors Report. (Discussion Item)**

Director Dick-Endrizzi presented a written and verbal Director's report. She highlighted the recently-approved Kiva Zip small business lending program, and upcoming education and outreach efforts surrounding transition to a gross receipts business tax.

**13. Legislation and Policy Committee Report. (Discussion Item)**

Commissioner Adams announced the Legislation and Policy Committee meeting that will immediately follow the current meeting.

**14. Outreach Committee Report. (Discussion Item)**

Commissioner White presented on behalf of committee chair Commissioner Dwight. She highlighted the main topics of the last meeting, which included the 2Bridge Communications survey and business personal property tax updates.

**15. President's Report. (Discussion Item)**

Commissioner Adams indicated he will attend the Castro Merchants Christmas tree lighting event at 6 PM on Monday, December 2.

**16. Vice President's Report. (Discussion Item)**

Commissioner White reported that she attended the Mayor's Universal Healthcare Council meeting. As a follow-up, she has requested staff to research and report on the implications of the federal Affordable Care Act and local Health Care Security Ordinance on employers with 20-49 employees. Her impression is that employers of this size will be adversely affected by both laws but is unsure exactly what the impact will be.

**17. Commissioner Reports. (Discussion Item)**

None.

**10. General Public Comment. (Discussion Item)**

General Public Comment was called for and no members of the public requested to speak.

**11. New Business. (Discussion Item)**

None.

**18. Adjournment. (Action Item)**

Motion: Commissioner Dooley motioned to adjourn.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: Dwight

The meeting was adjourned at 4:29 PM.

















SMALL BUSINESS COMMISSION  
NOTICE OF MEETING CANCELLATION



Monday, November 25, 2013

2:00 PM

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

The Small Business Commission meeting of November 25, 2013, is cancelled.

Only one Small Business Commission meeting was held in November, and that meeting occurred on  
Monday, November 18, 2013.

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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

















SMALL BUSINESS COMMISSION  
NOTICE OF SPECIAL MEETING & AGENDA



Monday, December 9, 2013  
3:30 P.M.

CITY HALL, ROOM 400  
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President  
Monetta White, Vice President  
Kathleen Dooley, Mark Dwight, Luke O'Brien  
William Ortiz-Cartagena, Irene Yee Riley

- SF  
552  
#1  
12/9/13
1. **Call to order and roll call.**
  2. **Approval of the November 18, 2013 meeting minutes.** (Action Item)  
Explanatory Documents: Draft November 18, 2013 minutes
  3. **Discussion and possible action on SBC File No. R-2013-001-SBC [Supporting SF Small Business Development Center Proposal]:** Resolution in support of a grant proposal, submitted by the Office of Economic and Workforce Development (OEWD), a City department, in response to Request for Proposals (RFP) No. 2013-SF-01 issued by the Northern California SBDC Lead Center. The RFP is soliciting proposals to provide small business assistance services to startup and existing business in San Francisco County as part of the 14-county Northern California SBDC region. Proposals are due no later than December 20, 2013. (Discussion and Possible Action Item)  
Explanatory Documents: Northern California SBDC RFP No. 2013-SF-01  
Presentation by Jordan Klein, Senior Project Manager, Office of Economic and Workforce Development.
  4. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
  5. **New Business:** Allows Commissioners to introduce new agenda items for future consideration by the Commission. (Discussion Item)
  6. **Adjournment.** (Action Item)

Public comment will be taken before or during the Small Business Commission's consideration of each agenda item. Copies of explanatory documents and other related materials listed in this agenda are available for download by linking to the website agenda or [www.sfgov.org/sbc](http://www.sfgov.org/sbc), and are available for public inspection and/or copying at City Hall, Room 110. Please call Christian Murdock at (415) 554-6407 to make arrangements for pick up or review.

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SAN FRANCISCO, CA 94102  
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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
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## Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that city operations are open for the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-6083. To obtain a free copy of the Sunshine Ordinance contact:

City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at [www.sfgov.org](http://www.sfgov.org).

### Cell Phone and/or Sound-Producing Electronic Device Usage at Hearings

Effective January 21, 2001, the Board of Supervisors amended the Sunshine Ordinance by adding the following provision: The ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing electronic devices.

### Disability Access Policy

Accessible seating for persons with disabilities (including those using wheelchairs) is available. The closest accessible BART Station is the Civic Center station located at the intersection of Market, Hyde and Grove Streets. Accessible MUNI lines serving the Veterans Building are 42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the Metro stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services call 923-6142. Accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex. American Sign Language interpreters and/or a sound enhancement system will be available upon request by contacting Milton Edelin at 558-6410 at least 72 hours prior to a hearing. Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call our accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the city's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the city to accommodate these individuals.

### Translation Services

Interpreters for languages other than English are available on request. Sign language interpreters are also available on request. For other accommodation, please call the Department of Human Services staff support representative at 557-5989 at least two business days before a meeting.

### Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by San Francisco Lobbyist Ordinance [Article II of the San Francisco Campaign and Governmental Conduct Code] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 25 Van Ness Ave., Suite 220, SF 94102 (415) 252-3100, FAX (415) 252-3112 and web site address at <http://www.sfgov.org/ethics/>.

### Chemical Sensitivity

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical base products. Please help the City accommodate these individuals.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



**REQUEST FOR PROPOSAL (RFP)**  
**NO. 2013-SF-01**

**Small Business Development Center (SBDC)**  
**San Francisco**

**ISSUED BY**  
**Northern California SBDC Lead Center**  
*a program of*  
**Humboldt State University**  
**Sponsored Programs Foundation**

**IMPORTANT DATES:**

Issuance Date:	<b>October 21, 2013</b>
Bidders Conference:	<b>November 5, 2013</b>
Letter of Intent to Submit:	<b>November 15, 2013</b>
Proposal Deadline:	<b>December 20, 2013</b>
Posting of Intent to Award:	<b>January 24, 2014</b>

Questions about this RFP should be directed to:  
Kristin Johnson, Norcal SBDC Director  
707-826-3919 or [johnson@norcal sbdc.org](mailto:johnson@norcal sbdc.org)



## TABLE OF CONTENTS

<b>SECTION I.</b>	<b>INTRODUCTION</b>	<b>3</b>
A	Purpose	3
B	Reasons for Considering this Solicitation	3
C	Service Territory and Client Population	3
D	Applicant Eligibility	4
E	Funding Available	5
F	Duration of Contract and Renewal Process	5
G	RFP Schedule	5
H	Bidders' Conferences	6
I	Delivery of Proposals	7
J	General Information	7
<b>SECTION II.</b>	<b>BACKGROUND INFORMATION</b>	<b>8</b>
A	Humboldt State University Sponsored Programs Foundation	8
B	SBDC Lead Center	8
C	Norcal SBDC Network	8
D	SBDC Services	8
E	Small Business Administration's SBDC Authorization	9
F	SBDC Services in San Francisco	9
G	Structure of a Local SBDC Service Location	9
H	Focus on Economic Results	12
I	Other Clarifications	12
<b>SECTION III.</b>	<b>SCOPE OF WORK</b>	<b>14</b>
A	Mandatory Services	14
B	Optional Services	16
<b>SECTION IV.</b>	<b>PROPOSAL CONTENT AND FORMAT</b>	<b>18</b>
A	Required Content and Format	18
<b>SECTION V.</b>	<b>SELECTION PROCESS AND EVALUATION CRITERIA</b>	<b>24</b>
A	Selection Process	24
B	Proposal Evaluation Criteria	25
C	Oral Interview Evaluation Criteria	26
D	Grounds for Rejection	26
E	Debriefing	26
<b>SECTION VI.</b>	<b>TERMS AND CONDITIONS</b>	<b>27</b>
A	Addenda	27
B	Bidder's Costs	27
C	Applicable Federal Reference Materials	27



## SECTION I. INTRODUCTION

### A. Purpose

The Northern California Small Business Development Center Program (Norcal SBDC) hosted by Humboldt State University Sponsored Programs Foundation ("HSUSPF") requests proposals be submitted from eligible organizations to provide high quality small business assistance services in accordance with each of the terms and conditions in this Request for Proposals ("RFP").

Small Business Development Center (SBDC) services include: private business consulting, capital access assistance, training seminars, and other specialty programs including technology commercialization assistance. HSUSPF's funding made available for these services comes from the Small Business Administration (SBA). SBA mandates the measurement and reporting of economic impact produced from its funding; this is a goal-based program focused on achieving a high return on investment of federal funds.

### B. Reasons for Considering this Solicitation

Becoming part of the Northern California SBDC Network leads to new partnership opportunities within business and academic circles, infusion of federal funds for business service activities, corporate sponsorship opportunities, access to SBDC-specific resources including a proprietary client and economic impact tracking system, proprietary and complimentary industry research tools and experts, access to other SBDC-only funding streams, and increased visibility for host organizations.

Small Business Development Centers provide direct and measurable economic benefits to the communities they serve. Established during the Carter administration, the SBDC program is the largest federally-designated technical assistance program focused on supporting startup and growing small businesses in all fifty states and U.S. territories. SBDC host organizations join a "family" of experts who are willing to share advice, resources and help local business assistance providers focus on what they do best—growing great local companies!

### C. Service Territory and Client Population

This RFP is issued for small business assistance delivered in San Francisco and for services to be available to all startup and existing small business in the county.

### D. Applicant Eligibility

Eligible host organizations include:

- Fully accredited institutions of higher education such as community colleges, public and private universities and state colleges;
- Private nonprofit corporations engaged in economic development activities;



- Local counties or municipalities that have pre-existing community/economic development departments and/or programs; and
- Public economic development institutions such as workforce investment boards and economic development corporations.

Proposals will only be accepted from organizations that:

- Are qualified to conduct business in the State of California;
- Are in good standing with the Secretary of State;
- Have not been debarred or had contracts terminated by the federal government, State of California or local government;
- Have at least twelve (12) months of current direct and/or related business technical assistance experience;
- Have accounting processes and prior experience necessary to manage and report on federally-funded programs/activities in accordance with federal OMB circular requirements; and
- Are NOT for profit businesses.

It is NOT a requirement that a host organization's headquarters be physically located in the SBDC service territory.

**A special note for institutions of higher education:**

There are many different ways to structure an SBDC within a university or college. SBDC services can fall under business, economics, engineering, or other academic units; other SBDCs are hosted within the President's Office, extended/community education, service learning/career centers, or the office on a campus focused on community relations; special institutes and centers focused on entrepreneurship, technology commercialization, economic research, corporate internships, international trade, etc. are also potential places where SBDC services can be located and compliment pre-existing activities.

**A special note for counties and municipalities:**

When a county or municipality is the host organization for a local SBDC, services are usually managed within the unit of the county or municipality that is responsible for economic development, community development, and business permitting and/or workforce development.

If a city or municipality is applying to host an SBDC that delivers services beyond its geographic borders, the bidder must have the authority to work outside these boundaries. If a portion of the required match funding is restricted for use within the host's boundaries, there must be assurances made that other non-restricted match funding is also available and plentiful enough to serve the entire geographic area within the proposal.

#### **E. Funding Available**

Funding for SBDC services in San Francisco is made available through a cooperative agreement between the United States Small Business Administration (SBA) and HSUSPF. **Maximum SBA funding for this award will be \$150,000 for 2014, provided funds are made available to HSUSPF by the SBA. HSUSPF reserves the right to award less than the maximum amount. 80% of the**



SBA funding must be applied to direct service delivery.

**The awarded contract requires a one hundred percent (100%) match. Each bidder must ensure that no less than fifty percent (50%) of the required contribution will be in cash. Proposals with more than 50% cash match of the requested amount will receive extra points in scoring: more than 50% and less than 75% cash match will receive 5 extra points; 76-100% cash match will receive 15 extra points; 101-125% cash match will receive 25 extra points; more than 126% cash match will receive 30 extra points.**

Cash outlay must not include other Federal funds (except for CDBG funding), indirect costs, in-kind contributions, or program income derived from activities supported in whole or in part with Federal or match funds. Remaining match required to meet the 100% match requirement may be documented as in-kind match as defined by federal OMB circulars. All in-kind match will be valued at market value and require support documentation. Waived indirect may be applied towards a host's in-kind match.

**The SBDC is a reimbursement program;** the host organization pays for expenses incurred by the SBDC and then submits quarterly invoices for reimbursement. Applicants must have cash on hand to account for quarterly invoicing with net 60 days for payment (from the point of invoice and support paperwork approval).

*Further information about budget requirements, cash match, in-kind match, program income, and indirect cost rates are located below.*

#### **F. Duration of Contract and Renewal Option**

The contract between HSUSPF and the successful bidder is expected to begin upon the date of contract approval by HSUSPF and terminate on December 31, 2014. The start date of the contract will be negotiable but must begin no later than April 1, 2014.

HSUSPF may renew its contract with the successful bidder at the end of the contract term, providing funding to do so is appropriated for this purpose in subsequent Federal, State and HSUSPF budgets. Proposed renewals (for a maximum of one (1) year after initial contract period), are assessed annually according to complete and satisfactory contractor performance, the Northern California SBDC Network guidelines, funding, budget allocation and scope of work/milestone continuity.

#### **G. RFP Schedule**

This schedule may be altered at any time at the discretion of HSUSPF. All dates and times stated in this RFP are Pacific Standard Time.

October 21 2013	RFP Released
November 5, 2013	Meeting with Potential Bidders: San Francisco Review of RFP and Q&A Session



November 15, 2013	<b>5:00 PM DEADLINE: 'Intent to Submit' Letter</b> <i>Letters of Intent are recommended but not required.</i>
December 20, 2013	<b>5:00 PM DEADLINE: Proposals Due to HSU SPF</b> <i>No proposals will be accepted after this date.</i>
January 6, 2014	Evaluation by Scoring Committee completed
January 17, 2014	Oral Reviews and/or Site Visits completed*
January 24, 2014	<b>Notification of winning Bidder*</b>
January 24, 2014	Notice of Intent to Award posted online and at HSUSPF*
January - March 2014	Orientation and Training for selected Bidder
Early 2014, No later than April 1, 2014	<b>Start Date of Contract, Work Commences</b> <i>Negotiable, but must begin no later than April 1, 2014</i>

\*HSUSPF reserves the option to delay naming a winner of this RFP based on any significant changes in funding - federal or otherwise - or funding opportunities that arise between the time of the release of this RFP and the RFP evaluation period. HSUSPF reserves the option to delay under this circumstance since under said scenario SBA funding available may change and therefore matching funds required may also change.

#### H. Bidders' Conferences

Interested potential applicants and others interested in this RFP, bidding process, and/or transition plans for SBDC services in San Francisco are invited to attend a SBDC Bidders' Conference. At the Bidder's Conference, a presentation will be made by representatives from the Northern California SBDC Lead Center that includes key points of the RFP, context about this SBDC's transition, an overview of the core services expected from any successful bidder and discussion about cash and in-kind match definitions. A question and answer period will follow.

A Bidder's Conference will be held in the service territory in order to accommodate the maximum number bidders. The same information will be presented at each session. Questions and answers will be documented and made available at [www.norcaldbdc.org/postings](http://www.norcaldbdc.org/postings) after the meetings. While attendance of a Bidders Conference is encouraged for all applicants, it is not a requirement.

##### **BIDDERS CONFERENCE #1: San Francisco**

Will be held in San Francisco on November 5, 2013

Date, time and location to be posted online at [www.norcaldbdc.org/postings](http://www.norcaldbdc.org/postings) by 10/30/13

#### I. Delivery of Proposals

Applicant will deliver one (1) package containing **four (4) typed copies** of the proposal to the



Northern California SBDC Lead Center at the address listed below, by **Friday, December 20, 2013** no later than 5:00 P.M. Proposals may not be faxed or emailed.

Norcal SBDC Lead Center- RFP NO. 2013-SF-01  
Humboldt State University  
1 Harpst Street, House 71  
Arcata, CA 95521

#### **J. General Information**

The bidding process for this procurement of services is competitive and proposals will be judged based on their compliance with RFP guidelines, and each respondent's ability to meet stated requirements in SECTION IV, PROPOSAL FORMAT AND CONTENT. Only those proposals that meet these requirements will be evaluated according to the criteria in SECTION VI, SELECTION PROCESS AND EVALUATION CRITERIA. Further review may occur through interviews and/or site visits to one or more applicant. Oral communications with HSUSPF officers and employees shall be non-binding on HSUSPF and shall in no way exclude the bidder of obligations as set forth in this package.

*HSUSPF reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified entity, or to modify or cancel all or part of this RFP if it is in the interest of HSUSPF to do so.*

*Upon award of a contract to the successful bidder, the contract is between HSUSPF and the applicant organization. The applicant organization does not have a direct contract relationship with the SBA.*



**A. Humboldt State University Sponsored Programs Foundation**

The Humboldt State University Sponsored Programs Foundation (HSUSPF) was incorporated in 1952 as a nonprofit public corporation for the purpose of promoting and assisting educational and research goals of Humboldt State University. Specifically, HSUSPF oversees commercial operations, administers research and educational grants and contracts for the University, and is responsible for the fiscal administration for numerous University programs, including the Norcal SBDC. Humboldt State University is located in Arcata, California and is the Northern-most institution of the California State University system.

**B. SBDC Lead Center**

The administrative headquarters for Norcal SBDC is called the "Lead Center." The Lead Center manages and administers the small business assistance network in the fourteen county region of the Norcal SBDC under terms of a Cooperative Agreement between the U.S Small Business Administration and Humboldt State University Sponsored Programs Foundation. There are 63 Lead Centers nationwide. The Norcal SBDC Lead Center is located in Arcata, California. Kristin Johnson is the Northern CA SBDC Director and manages the Lead Center.

**C. Norcal SBDC Network**

The Norcal SBDC Network is the collaborative partnership organization of SBDC service providers in fourteen (14) counties that stretch from Monterey to Del Norte, including the San Francisco Bay Area. The Norcal SBDC Network provides technical services (consulting and training) to existing and emerging small businesses with a focus on growth industries in the area. Each host organization for a local service location becomes a partner in the Norcal SBDC Network via a contract with HSUSPF. At the time of this RFP there are thirteen (13) SBDC service centers, two (2) SBDC satellite centers, and over 25 SBDC outreach centers within the regional territory.

**D. SBDC Services**

The Norcal SBDC Network offers a full range of business development assistance services made available to small businesses located in rural and metropolitan areas. Each local service location provides in-depth, high-quality assistance to small business in complex areas that require specialized expertise. These areas may include, but are not limited to: management, marketing, financing, accounting, strategic planning, regulation and taxation, capital formation, venture capital, procurement, human resource management, production, operations, economic and business data analysis, engineering, technology transfer, innovation and research, new product development or commercialization, product analysis, plant layout and design, agriculture, business law and referral, exporting, office automation, site selection, or any other areas of assistance required to promote small business growth, expansion and productivity.

In addition to consulting, the Norcal SBDC Network provides training, conducts special projects and provides business-specific research and referral services.



#### **E. Small Business Administration's SBDC Authorization**

The Small Business Development Center (SBDC) Program is authorized through Congress and partially funded by the U.S. Small Business Administration (SBA). The SBDC Program is the SBA's largest technical service delivery program providing business support and training to the small business community. Federal SBDC funding from SBA is apportioned for each state based upon population. The SBA maintains cooperative agreements with 63 SBDC Lead Centers—including the one at Humboldt State University—and annually distributes SBDC funding through these contractual relationships. The Norcal SBDC Network maintains a strong working relationship with the SBA District Office located in San Francisco, California.

#### **F. SBDC Services in San Francisco**

The successful local SBDC host shall service San Francisco, providing specialized technical assistance to small business owners and managers and prospective small business owners. Services will include private consulting, coaching, and training. SBDC services must be available to business owners in-person and within a short drive. Training must also be offered in multiple locations.

Candidates should be willing and able to demonstrate an ability to continue and/or add capacity and expertise to an existing series of programs for entrepreneurs. These programs funded in part by the City of San Francisco serve Chinese and Spanish-speaking clients and San Francisco restaurateurs. The successful host will partner with the City of San Francisco on these programs and collect job creation and retention data, along with demographic and income verification information for monthly reporting to the City on the progress of the program.

Other collaborative efforts between the City of San Francisco and the San Francisco SBDC include special consulting to support entrepreneurs enrolled in the BizFitSF program and the Healthy Food Retail Incentive Program.

##### **BizFitSF Program – Business Strengthening**

Under the Invest In Neighborhood's Initiative is a business strengthening pilot program, BizFitSF. The goal of the BizFitSF is to strengthen neighborhood commercial corridors by providing concentrated and tailored technical assistance by expert consultants that will address individual needs of existing businesses and ensure that they are healthy and can grow in the context of the neighborhood landscape. The program is coordinated by the City of San Francisco's Office of Workforce Development (OEWD).

##### **Healthy Food Retail Incentive Program**

This program will work with small corner store owners and other food retailers and provide technical assistance, equipment and other incentives to help them shift their business model to increase healthy and fresh foods and decrease unhealthy influences in a way that benefits the small independent stores while also promoting community health. The program is coordinated by the City of San Francisco's Office of Workforce Development (OEWD).



#### G. Structure of a Local SBDC Service Location

There are a variety of ways in which local SBDCs are structured. This RFP is intentionally non-prescriptive in regards to structure in order to allow for creativity from the applicant and to encourage a wide variety of host organizations to consider the possibilities of hosting an SBDC.

In designing an SBDC structure, the leveraging of office and training space, shared use of equipment, leveraging administrative and financial expertise and other assets of the host organization are encouraged. Additionally, alignment with pre-existing business assistance programs at the host organization and access to and support from upper management should be considered.

A summary of elements that an applicant will want to consider in constructing a proposed structure include the following:

- Lines of reporting and where the SBDC fits within the host's organization;
- Host organization's ability to provide support functions;
- Pre-existence of related business technical assistance program(s);
- Pre-existing management and staff focused on business/economic programs;
- Use of internal personnel and/or contractors to perform business consulting;
- Physical location(s) of host organization in relation to SBDC service location(s); and
- Size of total SBDC budget (SBA funds, cash match, in-kind match and program income).

Following are several fictitious examples that show a range of possibilities. Applicants *should not* be limited to structures detailed in these examples or limit their thinking based upon other SBDC models in California.

EXAMPLE #1	A private university
Location within Organization	SBDC will be located within the College of Engineering and be run as a program of the university's Institute for Applied Technology.
SBDC Services Focus	This university wants to host the SBDC in order to enhance and expand its special institute focused on commercialization of technology. They propose an SBDC service offering that includes a special emphasis on commercialization and securing equity funding for small businesses. Further, the university proposes utilizing MBA students to provide a portion of the SBDC consulting.
Lead Program Manager(s)	Engineering Professor named Joe Smith who is focused on technology commercialization and who runs the University's Institute for Applied Technology is the identified SBDC program manager. <ul style="list-style-type: none"><li>- Joe Smith commits 20% time to the SBDC—focused on strategy, performance, partnerships, and interactions with SBDC Lead Center.</li></ul> Several other faculty members from the school of business and the school of engineering who work with Joe at the institute also will be involved in strategic decisions, but not as the core SBDC manager.
Description of Budget	\$150,000 in SBA funding \$70,000 from a private donor interested in entrepreneurship and the university's internship opportunities within emerging technology companies



	<p>\$ 43,000 from a corporate sponsor</p> <p>\$66,000 in university salary contributions (full time administrative assistant and part time from two faculty members in the business school who do business consulting for the SBDC)</p>
<b>Administrative Support</b>	<p>Full time administrative assistant named Sally Jones focuses on the SBDC program 50% time, and reports to Joe Smith.</p> <ul style="list-style-type: none"> <li>Sally also oversees all the part time graduate students who work on various research under the institute and who will be doing a portion of the SBDC consulting.</li> </ul> <p>2 undergraduate student interns who assist with data entry and coordination of non-credit trainings offered through the SBDC.</p>
<b>Financial Compliance</b>	<p>This university's research office manages all the contracts and grants for Joe Smith and his work at the Institute for Applied Technology. The research office assigns the SBDC a financial/grant analyst who works with Joe to set budgets, and works with Sally on AP/AR.</p>
<b>Business Advisors</b>	<ul style="list-style-type: none"> <li>There are eight MBA students who provide business counseling under the supervision of a lecturer from the business school—and who is one of Joe's colleagues.</li> <li>Four faculty members from business and economics provide specialty business consulting on topics of: exporting, market research and energy efficiency.</li> <li>Two Chinese graduate students within Engineering also develop curriculum for and teach non-credit courses to the local Chinese community about product commercialization.</li> </ul>
<b>Location(s)</b>	<p>SBDC services are offered from the offices of the Institute for Applied Technology (on campus), as well as in the conference rooms of three local chambers of commerce. They plan on expanding to two other satellite locations affiliated with angel capital groups who have investors in common with the university's donor list.</p>

<b>EXAMPLE #2</b>	<b>A Municipality</b>
<b>Location within Organization</b>	SBDC will be located within the Economic and Community Development department.
<b>SBDC Services Focus</b>	<p>This city has a high level of healthcare-related companies. The city council has decided that investing in the expansion and future success of the healthcare sector is a core strategy to pursue. The city wants to host the SBDC in order to provide direct assistance its healthcare companies.* Their proposed offering includes a special emphasis on healthcare businesses, supporting healthcare research (commercializing ideas that come from research), and growing new companies that supply the healthcare industry.</p>
<b>Lead Program Manager(s)</b>	<p>Economic Development Director hires a new full time SBDC Director named Peter Johnson, to oversee the SBDC's services. Johnson spends 50% of his time providing direct business consulting and the other part of his time focused on strategic partnerships, performance of the SBDC, and communications with his broad group of business advisors.</p>
<b>Description of Budget</b>	<p>\$150,000 in SBA funding</p> <p>\$28,000 from the city's economic development budget</p> <p>\$ 86,000 from an economic development planning grant secured from a state</p>



	agency \$ 17,000 from a local community college that will partner with the city on providing community trainings \$50,000 from the county—for coverage of businesses that are located outside of the municipality's city limits but are within the SBDC territory.
Administrative Support	Shared support from the Office of Economic Development. There are four administrative personnel in this office and they will support the SBDC's needs for AP/AR/meeting logistics/data entry/etc.
Financial Compliance	Handled within the Office of Economic Development.
Business Advisors	Peter Johnson hires 13 part time private contractor consultants who have a range of specialty expertise related to the healthcare industry and general business operations. All contractors are only paid for their consulting hours.
Location(s)	SBDC services are offered at the city offices and at the clients' business locations by appointment. A local bank that has offices outside of the city but within the county provides free use of its community room for additional consulting and training.

<b>EXAMPLE #3</b>	<b>A Microenterprise Nonprofit Organization</b>
Location within Organization	This organization is 100% dedicated to providing business technical assistance. There are a total of eight staff members who report to an Executive Director who reports to a Board of Directors. SBDC funding is applied directly to the host organization's core services.
SBDC Services Focus	This nonprofit has a strong track record of serving micro-enterprises in a neighboring county and is looking at expanding both geographically and in terms of the size of business the organization serves. With SBDC funds, this organization could expand its footprint and serve more mid-sized small enterprises.
Lead Program Manager(s)	The Executive Director asks her Program Manager, Jill Stone to take lead on the SBDC program. Stone oversees three different grants that all pay for direct technical assistance to small businesses. The SBDC contract becomes her biggest program, but is very much like all the rest of her work. Stone is paid 45% by the SBDC funding and spends about 20% of her time conducting business advising with clients.
Description of Budget	\$150,000 in SBA funding \$42,000 from a Community Development Block Grant (CDBG) \$ 38,000 from a corporate foundation that donated to the nonprofit in order to help them expand to a larger clientele.
Administrative Support	Shared support from the core administrative staff.
Financial Compliance	Handled by the in-house bookkeeper with oversight by a CPA that has a background in fund accounting and federal contract management.
Business Advisors	The nonprofit has 11 existing business advisors who provide consulting through its other funding sources. These individuals are already used to tracking their work in a database and attributing it to the different funding sources. Jill Stone adds several additional part time advisors who are focused on access to capital.
Location(s)	The nonprofit decides to pay for a small office that is collocated with several economic development programs. Being in this space allows the nonprofit to



get a leg up on the new expanded geographic territory and provides for many good referrals.
---

#### H. Focus on Economic Results

A core differentiator between the SBDC and other federal, state and local business assistance programs is the SBDC's focus on economic results produced by its services. All SBDC consulting aims at creating measurable successes such as: business startups, increases in sales, obtaining loan financing or equity investment, job creation and retention, etc. Regionally, more than 40% of Norcal SBDC business clients will achieve one of these measurable results. All SBDC economic successes are annually verified by an out-of-state third party researcher.

In 2012, the Norcal SBDC provided one-on-one consulting and training to nearly 17,000 entrepreneurs in Northern California. Client businesses receiving individual private consulting attributed the following results to the help received from SBDC:

- Sales increases of more than \$63 million
- 2,370 jobs created and retained
- Over \$80 million in capital infusion (funding secured from equity investors and lenders)

#### I. Other Clarifications

Applicants should note that the SBDC is not a social, entitlement or workforce development program. The Network's business model is to serve small business owners and entrepreneurs. **Training of employees (workforce) is not an eligible activity of the program.**

SBDCs serve both startup and existing businesses. **The primary focus of the Norcal SBDC Network is on existing (in business) companies.** Sixty percent (60%) of all clients receiving services from the Norcal SBDC are small businesses that are beyond the startup phase of operations and are specifically looking for help growing their enterprises and responding to challenges and opportunities in their industries. A program exclusively focused on a single phase of the business lifecycle (startup only) is not allowed.



### SECTION III. SCOPE OF WORK

All SBDC services are provided pursuant to the Northern California SBDC Network Cooperative Agreement with the U.S. SBA; Federal OMB circulars, U.S. SBA Guidelines and Regulations; HSUSPF Policy and Procedures Manual and Norcal SBDC Network Policy and Procedures Manual. In addition, local host organizations receive fiscal and programmatic examinations/reviews each year, or as necessary, pursuant to the Norcal SBDC Network audit procedures, SBA and HSUSPF.

The local SBDC service provider must design and manage direct delivery of in-depth and high quality confidential business consulting and assistance with access to capital. In addition, the local host may provide specialized training and events. Client services must meet specific needs of small businesses in San Francisco. Services may be provided by staff of the host organization and/or contracted consultants/trainers of the SBDC.

The local SBDC host shall ensure that client services are made available to special interest groups including but not limited to: communities impacted by military base closings, minorities, women, Native Americans, disabled persons and veterans.

**The Scope of Work to be conducted through the contract resulting from this RFP consists of the following:**

#### **A. Mandatory Services**

##### **1. Consulting**

The core service provided through SBDC is consulting. **All service and performance goals for the SBDC will be based upon consulting activities.**

The SBDC shall design and provide quality consulting services to improve the skills and knowledge of existing and prospective small business owners/managers. All consulting shall have an identified and measurable goal that is agreed upon by consultant and client. Consulting is a process of in-depth, two-way communication between client and counselor. This process includes identifying and analyzing the client's needs and problems.

The SBDC shall assist small businesses in solving problems concerning: operations, manufacturing, engineering, evaluation and adoption of new technology solutions, personnel administration, marketing, sales, merchandising, accounting, loan readiness, technology commercialization, equity financing, securing loans, business strategy development and other disciplines required for small business growth, expansion, innovation, productivity and management improvement.

**Fees may not be charged for SBDC consulting.** A local host organization charging fees for consulting under another grant or contract must adequately address how clients will be screened and served by the SBDC compared to those who will be charged fees for consulting services under another program. If an applicant to this RFP serves fee-based clients, methods must be identified for how referrals will be made to the SBDC and how the bidder will ensure conflicts will not arise between fee-based and free consulting. **All individuals providing consulting to SBDC clients must successfully pass the Norcal SBDC Business Advisor certification.**



## 2. Expected Consulting Results

Annually, the Small Business Administration sets measurable goals to be obtained by the SBDC Networks. In 2014, the Northern California SBDC Network is responsible for producing and documenting following results.

Service Results	2014 Expected Outcome
# of business clients to receive private (1-on-1) business consulting	1 client for every \$415.33 in SBA funding
Total # of hours of consulting	1 hour for every \$71.04 in SBA funding
Total # of business clients receiving more than 5 hours of consulting within the calendar year (Long Term Clients)	1 long-term client for every \$1,026.22 in SBA funding
Economic Impact (Client Success)	2014 Expected Outcome
# of business clients to produce at least one measurable economic impact (outcome) that is attributed to the SBDC consulting provided	40% of all clients
Total Jobs Created	1 new job for every \$1,428.69 in SBA funding
Total Jobs Retained (that were previously slated for elimination)	1 job retained for every \$1,530.31 in SBA funding
Total New Businesses Started*	1 new business started for every \$5,458.86 in SBA funding
Total Increases in Sales	\$29.07 in increased sales generated by every \$1.00 in SBA funding
Total Capital Infusion**	\$41.01 in new capital infusion for every \$1.00 in SBA funding

\*A new business start is realized when a pre-business client of the SBDC takes steps to complete required registration(s) with local, state and/or federal government (e.g., DBA registration, business licenses, tax identifications, etc) AND has documented transactions (more than one) from the sale of a product or service for the purpose of gain or profit.

\*\*Capital infusion includes all loans secured by business clients PLUS all equity capital investments secured. Owner-infused equity capital is included in equity capital.

Based upon formulas above a *sustaining* SBDC center serving San Francisco with full-scale services for twelve (12) months and receiving full SBA funding as described under Section I.E would be accountable for producing the results described below. A start up SBDC in this region will need to make steady progress towards these goals and be at a level of performance by the end of 2013 such that it would be able to produce this level of results in 2014.

Service Results	2014 Expected Outcome (if SBDC were a sustaining center)
# of business clients to receive private (1-on-1) business consulting	361
Total # of hours of consulting	2,111
Total # of business clients receiving more than 5 hours of consulting within the calendar year (Long Term Clients)	146



<b>Economic Impacts (Client Success)</b>	<b>2014 Expected Outcome (if SBDC were a sustaining center)</b>
# of business clients to produce a measurable economic impact (outcome) that is attributed to the SBDC consulting provided	144 (40% of all clients)
Total Jobs Created	104
Total Jobs Retained (that were previously slated for elimination)	98
Total New Businesses Started	27
Total Increases in Sales	\$3,750,000
Total Capital Infusion (Dollar amount of Business Loans Secured + Dollar amount of Equity Capital Secured)	6,151,500

### 3. Capital Access Assistance

The SBDC shall assist small businesses obtain growth capital through lending and equity investments. Services in this area shall include business plan development, financial statement preparation and analysis, cash flow preparation and analysis, understanding lending terms, loan application assistance, coaching on presentations for equity investors, etc.

The SBDC shall develop and keep current a wide range of close partnerships with traditional banks, community lenders, angel capital networks/groups, and other equity investment organizations. Regular networking that links lenders and equity investors with business owners is mandatory.

### 4. Client Activity and Performance Tracking

The SBDC shall participate in measurement of services delivered and client successes through use of a proprietary online tracking system named WebCATS (Web-enabled Client Activity Tracking System). Training on use of this system will be provided by the Norcal SBDC Lead Center to the SBDC personnel.

## B. Optional Services

### 1. Training

The SBDC is able to offer trainings/workshops that are relevant to groups of business owners and/or entrepreneurs in San Francisco. The Bidder is encouraged to arrange for co-sponsored training with the private sector and other organizations, to extend outreach and productivity. **Training attendees may be charged a small fee to attend training workshops.** Fees collected from training attendees are considered "program income."

While trainings are a cost effective way to provide education on topics that many small businesses have in common, trainings should be viewed as a secondary service of the SBDC, behind consulting and capital access assistance. Trainings can and should also be a good way to generate new consulting leads. Costs of training should primarily be covered from program income, sponsorships or other co-hosting partners. **Trainings may not be a primary cost for which SBA funding is used.**



## 2. Strategic Initiative Programs

The Norcal SBDC Network has invested in special programming to assist and attract high-growth entrepreneurs in need of specialized consulting. These initiative areas are described as follows: technology commercialization (Tech Futures Group), international trade assistance and social entrepreneurship. The level of engagement in specialty programs varies from one SBDC to another.

The **Tech Futures Group** is the Norcal SBDC's technology commercialization program and serves three types of clients: private technology companies, university researchers with the tech transfer process, and SBIR/STTR federal research grant applicants. Applicants may wish to apply a portion of their funding to focus on Tech Futures Group services. For more information, please visit the Tech Futures Group website at [TechFuturesGroup.org](http://TechFuturesGroup.org).

The other initiative areas (international trade, and social entrepreneurship) are in the development stages. Applicants may choose to focus a portion of their RFP response in one of these areas.

Additional information specifically about these programs can be requested from James Alva, Strategic Initiatives Director, at [atjalva@norcal\\_sbdc.org](mailto:atjalva@norcal_sbdc.org).

## 3. Special Projects

Special projects include market research; publications; conferences for minority, women, veterans or disabled person-owned businesses; services provided in languages other than English; etc. Special Projects should primarily be funded by non-SBA sources.



## SECTION IV. PROPOSAL FORMAT AND CONTENT

These instructions detail the mandatory proposal format and content to be used in each proposal. PROPOSALS MUST BE PREPARED AND SUBMITTED IN THE FOLLOWING FORMAT TO ENSURE ACCURATE EVALUATION.

### A. Required Content and Format

1. **ATTACHMENT 1, COVER SHEET.**
2. **ATTACHMENT 2, HOST ORGANIZATION CONTACT INFORMATION.**
3. **Table of Contents:** Information is organized as outlined in this Section with page references.
4. **Board Resolution/Minutes:** Provide an executed resolution or approved minutes signed by the board of directors or board or body of the local governing entity of the bidder's organization. If the bidder is a local governmental body and resolutions or minutes are not signed by the governing body, then an authorized representative must submit a signed resolution or minutes.
5. **Narrative:** The narrative portion of the proposal will address all of the following items and not be longer than 30 pages in length excluding all attachments. **Applicants are encouraged to focus on providing complete content in a streamlined manner. There are no extra points provided for using all 30 pages of allowable narrative space.**
  - a. **Description/Qualifications of Host Organization**
    - Provide a brief **history** of the organization, when it was established, when existing business assistance services were initiated by the organization and in which community(s), and location the applicant currently operate. What are the primary markets and target clients/customers of the organization?
    - Describe the organization's capacity to establish, maintain and operate the SBDC. Discuss **how the SBDC "fits"** within the organization and the purpose/mission of the SBDC aligns with the purpose/mission of the organization. Why does the applicant want to host an SBDC? Besides funding, what benefits will be realized by the host organization?
    - Provide a description of the host organization's **primary services** and activities. Describe how business and/or economic development activities fit within the larger mission of the organization if the primary focus is not business and/or economic development.
    - Provide a short description of all **business/economic development programs/projects** operated by the applicant during the last three (3) years and the specific funding source for each. If any such programs were discontinued prior to the end of the contract period, list the name of the funding source, the amount of the funds, program title, contract number and contract period. Please indicate the reason the contract was discontinued early.
    - Describe the organization's **key successes** in delivery of business assistance or similar programs within the last three (3) years. Discuss what systems the host uses to capture and communicate successes of its programs to stakeholders and the business community.



**b. SBDC Structure and Management**

- Provide a description of the proposed **SBDC location(s) and facilities**, demonstrating accessibility to the small business community to be served. The facilities must be disabled accessible, allow for posting of SBDC signage, include private office space for individual consulting, and provide accessible, free or low-cost parking. For each planned facility please describe if the location is currently under the control of the applicant or if space would need to be identified, negotiated and/or leased. If the applicant holds space via a lease, include information about the length and terms of the lease.
- Provide a narrative description of the proposed **SBDC personnel structure**. Include titles and duties for all individuals who will be involved in service delivery and oversight and the percentage of time they will be dedicated to the SBDC project. It is acceptable if host organization's proposed SBDC structure includes personnel yet to be hired; please note positions to be hired. *Provide résumés for all host organization pre-existing employees and pre-existing contract consultants that will be involved in SBDC services and oversight as part of the Attachments. Individuals proposed to provide business consulting should have prior small business experience.*
- If the applicant is a large organization (municipality, university, etc.), provide rationale for why the SBDC will be placed within the chosen operational unit.
- Indicate the individual(s) who will provide **supervision over the SBDC services**, who this position reports to, what other programs they manage, and how long they have been with the organization.
- If business consultants will be private contractors, provide the hourly consulting rate agreed upon for hourly services.

**c. Fiscal Compliance**

- Explain how **financial management** will be handled by the host organization. Indicate the individual will have oversight of the budget and the position responsible for tracking expenditures and submitting invoices. For each person, include who these individuals report to, what other fiscal responsibilities they have, and how long they have been employed by the organization. *Please provide résumé(s) as part of the Attachments.*
- Describe the organization's ability to maintain **separate ledgers and transaction journals** for SBDC financial activity to ensure a clear audit trail of the financial resources used under this agreement. SBDC expenditures of federal, matching, and program income must be accounted for separately from each other, from other host resource and must be identifiable by contract year (i.e. calendar year) in which they were provided.
- Discuss the host organization's background in **fund accounting** and prior experience with fiscal management of federal contracts.

**d. Financial Stability**

- Describe the organization's **core funding**. What are the primary ways the organization is funded and what have been the funding trends in recent years? If funding for the organization has significantly increased/decreased (+/- 20% or more) over the last three (3) years, please describe these circumstances.
- Discuss the organization's ability to manage a **reimbursement program**. What



safeguards does the applicant have to ensure proper cash-flow over the year?

- Describe the organization's **capacity for growth** (e.g. adding no-cost consulting services, expanding pre-existing business assistance programs, serving additional markets, the possibility of satellite offices, etc.).
- e. **SBDC Service Delivery**
- Address how **consulting services** will be implemented and managed. Include information about how consulting will be accessible throughout the geographic territory. Discuss any specialty/emphasis topics to be provided and how resources will be managed for maximizing economic impact of services.
  - Address how **capital access assistance** will be implemented and managed. Include information specific to assisting client with loan access and specific to clients securing equity capital. Describe any significant relationships with lenders or equity capital-related partners.
  - Address how **training services** will be implemented and managed. Include information about how training will be distributed throughout the geographic territory. Discuss any specialty/emphasis topics to be provided or if web-based training will be provided. If SBDC funding will be expended on curriculum development, note which training topics will require curriculum development. If trainings will be co-sponsored, indicate partner organizations that will collaborate on trainings. *Trainings are not required, however if any resources will be spent on trainings they must be detailed.*
  - Discuss how the applicant organization will participate in Norcal SBDC's **strategic initiative programs**. Provide details of any prior experience/expertise in each of the initiative areas: assistance to technology/innovation companies, international trade (exporting) assistance, and social entrepreneurship.
  - Describe all **special projects** that would be initiated/take place within the contract year. Please include any special expertise or targeted programs not listed elsewhere. *Special projects are not required; however, if any resources will be spent on special projects they must be detailed.*
  - If the applicant plans on specialized services for a **target market** within the general business population (women, Native Americans, Mandarin-speaking business owners, veterans, etc.), please explain how this will be executed and estimate what percentage of SBA funds will be applied to target clients.
  - If any funding will be used to **enhance existing business assistance** services, please note where funding will be made to expand/enhance programs rather than develop new services. Note: Expansions/enhancements are perfectly fine so long as services are aligned with the SBA-required assistance areas.
  - If any significant portion of the Scope of Work is proposed to be contracted out, the bidder must identify **work to be performed by subcontractors**, their qualifications and expertise, and describe the pre-existing relationship between the subcontractor and the applicant. *This does not relate to individual private contract consultants who may be engaged to provide consulting to clients under the supervision of the SBDC.*
  - Provide a list of current community, business and corporate **partnerships** and explain the extent of the working relationships. If appropriate, document what these organizations



have committed to do in specifically helping launch SBDC services to be provided by the applicant in San Francisco.

- Discuss all forms of **outreach and promotion** that will be used to attract business clients. Note which of these methods and tools are pre-existing and which will be new efforts specific to the SBDC program.
- Describe the organization's realistic **startup timeline** to scale to full SBDC operations in a timely manner. Include extent to which operations would be in place by April 1, 2014.

**f. ATTACHMENT 3, CONSULTING WORKPLAN AND OUTCOMES.**

**g. ATTACHMENT 4, BUDGET FORMS**

- Format should not be altered. **Both sheets must be completed (Budget Proposal and Budget Justification).**
- ALL costs associated with the implementation of this proposal shall be included. **Proposals with incomplete budgets will not be reviewed.**
- The allocated annual total award for SBDC services delivered in San Francisco during calendar year 2014 is not to exceed \$150,000 in SBA funding including allowable indirect costs not more than ten percent (10%).
- Cash match of at least 50% must be included on ATTACHMENT 4, BUDGET FORM. Applicants with more than 50% cash match will get up to 30 extra points in the proposal scoring.
- In-kind match showing the difference between Cash match and the minimum one hundred percent (100%) match requirement. Overmatch (more than 100%) is allowable and encouraged.
- Within the SBDC budget (SBA funds, cash match, program income, in-kind match), **80% of the SBA funding must be applied to direct service delivery captured in WebCATS.**
- All costs proposed require justification and narrative explanation (Sheet 2).
  - i. Example 1- Personnel: If an employee will be working part time on the SBDC project, provide the percentage of time and salary for the employee.

JUSTIFICATION: Frank Jordan, Business Consultant, annual salary of \$80,000 x 20% time for SBDC = \$16,000 salary expense.

- ii. Example 2- Contractual: If there will be multiple contract business consultants, provide estimates on how dollar amount is to be distributed.

JUSTIFICATION: 8 contract consultants. 4 consultants will average 10 hours/week and other 4 will average 5 hours/week. Hourly rate = \$50. Average of 60 hours/week x 48 weeks (assuming vacations, holidays, etc) = 2880 hours x \$50/hour = \$144,000.

- iii. Example 3- Other: If there are costs associated with conducting trainings, list out costs and then list categories of costs under the "under" category.

JUSTIFICATION: Proposing 20 trainings, for each training—handouts/printing cost of \$200, training facility rental of \$500, coffee and water (refreshments) of \$50

Handouts/printing: \$4,000



Training facility rental: \$10,000

Refreshments: \$1,000

- The budget must specify which costs will be paid by award dollars (federal), cash match dollars or in-kind/indirect match dollars.
- Include waived indirect based upon applicant organization's federally recognized indirect rate if applicable. Waived indirect may be applied towards in-kind match.
- Estimate any fees or charges to clients for attending training workshops/seminars, special events, and non-business advising activities; all program income collected must be used in the direct support of the program and the use of these funds must be separately and clearly tracked and identified. By SBA mandate, **program income cannot be used towards cash match or in-kind match requirements.**

**h. ATTACHMENT 5, CERTIFICATION OF CASH AND IN-KIND MATCH:** The amount and source of funds being provided as match must be clearly indicated.

- If a portion of match funding has been applied for but is not yet secured at the time of the applicant's submission to this RFP, please provide narrative to this fact and an estimated date on which funding notification will occur.

**i. Match Verification Documents**

- Please include support documentation for each match source listed on ATTACHMENT 5, CERTIFICATION OF CASH AND IN-KIND MATCH. Support documentation may include: cover sheets from other grants/contracts; letters from other funding entities which include a funding amount, funding purpose and funding end date for cash match; letters from host organization guaranteeing match from general funds; etc.
- In-kind match contributions must be fully explained to show how their value is determined. Support documentation (such as signed commitment letters showing reasonable value of in-kind match amounts) for each match source is required.

**j. Applicant Organization's Supporting Financial Information**

- Provide a copy of the organization's most recent external audit report (A-133).
- Provide a copy of the host organization's Indirect Cost Rate Agreement (federal cognizant rate agreement) if applicable.
- Provide documentation of incorporation, if appropriate.

**k. ATTACHMENT 6, PLANNED CLOSURE DATES**

**l. Applicant Organization's Organization Chart**

- Submit an organization chart showing the hierarchy of the organization and how the SBDC will be administered. The chart must show the relationship between the proposed host entity, SBDC personnel and personnel of the host organization that will provide part time support to the SBDC.

**m. Résumés for Proposed SBDC Personnel**

**n. Business Client References**

- Provide a minimum of three (3) small business client references which the bidder has



provided consulting services to in the last three (3) years. Include the name of the organization, contact person, address, phone number and email address.

#### 5. Other Attachments

Any additional attachments provided by the bidder – such as letters of support, media clippings and host organization collateral – are allowed but are not required. **Information included beyond the required documents will not count towards the formal evaluation and scoring of the proposal.**



## SECTION IV. SELECTION PROCESS AND EVALUATION CRITERIA

Each proposal shall be evaluated to determine responsiveness to HSUSPF's needs as described in this proposal package. HSUSPF reserves the right at any time to reject any or all proposals.

### A. Selection Process

1. After the period has closed for receipt of proposals, each proposal will be evaluated to determine compliance with general RFP guidelines and specific requirements of SECTION IV, PROPOSAL FORMAT AND CONTENT. If a proposal does not meet all requirements, it will be considered nonresponsive and rejected from further evaluation.
2. The evaluation committee will then review all responsive proposals against the evaluation criteria listed below. Proposals will be ranked based upon score.
3. The evaluation committee reserves the right to designate one or more members of the committee to perform oral interviews with one or more finalists. The oral interviews will confirm information presented in the proposal. Further, the oral interview will allow finalists to demonstrate their understanding of the project objectives, and to articulate their capability to meet or exceed the requirements of this RFP.
4. The evaluation committee reserves the right to designate one or more members of the committee to perform in-person site visits with one or more finalists. The site visits will confirm information presented in the proposal and oral interviews.
5. A contract will be awarded to the applicant with a highly scored proposal, a high level of cost-effectiveness of proposed services to be offered, a demonstrated ability to provide sufficient fiscal and programmatic oversight of a federally-funded program, and any additional information gathered from oral interviews and/or site visits, if deemed necessary.
6. HSUSPF reserves the right not to award any contracts.
7. Upon selection of a proposed contractor, a Notice of Intent to Award will be posted for five (5) working days at the NorCal SBDC Lead Center Office, Humboldt State University, House 71, Humboldt State University, Arcata, CA 95521. A Notice of Intent to Award will also be posted online at [www.norcal sbdc.org/postings](http://www.norcal sbdc.org/postings).
8. The chosen bidder shall be notified verbally or in writing as to their selection as the proposed contract awardee at the time HSUSPF posts the Notice of Intent to Award.
9. Unsuccessful applicants will be notified in writing on the date HSUSPF posts the Notice of Awards.
10. Preliminary contract negotiations shall begin on the sixth workday after the date the Notice of Intent to Award is posted.
11. **The successful applicant will participate in the Norcal SBDC "onboarding" process.** Onboarding includes orientation of the new host, mandatory training of key



programmatic and fiscal personnel, host participation in the annual all-region/all-staff meeting, and a series of startup checkpoints which must be accomplished by the new SBDC during its first six months of operation. Dates of onboarding activities will be negotiated with the successful applicant after the Notice of Intent to Award is posted. Onboarding activities will be included in the 2014 contract.

## B. Proposal Evaluation Criteria

Proposals will be reviewed and scored by an evaluation committee. Evaluation of proposals will be based on the criteria shown. While criteria headings align with narrative sections, the entire proposal's content will inform scoring in each of these areas.

Criteria	Points
<b>HOST ORGANIZATION</b> Host organization's focus, history and success in economic development activities; organization's alignment with SBDC program; extent to which the organization has ongoing related business assistance programs.	Up to 20
<b>SBDC STRUCTURE AND MANAGEMENT</b> Adequacy of proposed SBDC structure, program management and qualifications of programmatic personnel; knowledge and expertise of proposed staff, subcontractors and consultants in small business assistance.	Up to 20
<b>FISCAL COMPLIANCE</b> Organization's accounting and grant compliance systems; prior experience with federally funded programs; accounting department's background in fund accounting; prior successful experience tracking cash match, in-kind match and program income.	Up to 20
<b>FINANCIAL STABILITY</b> Organization is well positioned to provide matching funds for SBDC in 2014 and beyond; capacity for growth; long-term sustainability of organization is not in question.	Up to 20
<b>SBDC SERVICE DELIVERY</b> Quality and thoroughness of SBDC Service Delivery plan; variety and appropriateness of topics to local business needs; effective use of resources; focus on services producing measurable economic results; appropriate partnerships that will specifically enhance the SBDC service offering; special expertise in any of Norcal SBDC's specialty program areas; expertise serving underserved subsets of the general business population; ability to start up SBDC in reasonable timeframe.	Up to 30
<b>Subtotal</b>	<b>Up to 120</b>
Additional points for cash match above 50%. <ul style="list-style-type: none"> <li>Cash Match at 51-75% = 5 extra points</li> <li>Cash Match at 76-100% = 15 extra points</li> <li>Cash Match at 101-125% = 25 extra points</li> <li>Cash Match at 126%+ = 30 extra points</li> </ul>	Up to 30
<b>Total Points Possible</b>	<b>Up to 150</b>



### C. Oral Interview Evaluation Criteria

The evaluation committee may conduct oral interviews with one or more bidder. The evaluation committee reserves the option of conducting the interview via teleconference, or at the finalist's and/or the proposed subcontractor's site, or other designated site. The following criteria will be used for assessing oral interview(s).

Criteria	Points
Quality and completeness of answers to questions regarding the proposed work plan.	Up to 10
Bidder's awareness of and ability to comfortably discuss concepts and approaches to small business development, economic development and measurement of economic impact. Understanding of the local business community, prominent growth industries and key partners/stakeholders in the economic development field, local growth industries and partnership opportunities.	Up to 20
Bidder's ability to tie ideas presented in the workplan to overall program objectives for the Northern California SBDC Network. Bidder's ability to tie ideas presented in the workplan to the mission, vision and purpose of the larger host organization.	Up to 10
Bidder's ability to articulate host's background in grant management and fiscal management of federally-funded programs. Understanding of fund accounting and core OMB cost principles.	Up to 10
<b>Total Points Possible</b>	<b>Up to 50</b>

### D. Grounds for Rejection

HSUSPF reserves the right to waive any immaterial deviation in a proposal; however, the waiver of an immaterial deviation in a proposal shall in no way modify the document or excuse the bidder from full compliance with the proposal requirements after the bidder is awarded the contract.

#### A proposal shall be rejected if:

- The proposal package is received after the exact time and date set for receipt of proposals.
- The proposal does not meet the requirements and is not prepared as required in SECTION IV PROPOSAL FORMAT AND CONTENT.
- The proposed SBA portion of the budget exceeds the maximum amount indicated by this RFP.
- The proposal contains false or misleading statements or references which do not support an attribute or condition contended by the bidder; and if, in the opinion of HSUSPF, such information was intended to erroneously mislead HSUSPF in its evaluation of the proposal.
- The proposal is confidential (excluding bidders financial information), conditional, incomplete or if it contains any irregularities.
- The bidder does not meet the required cash match, total match, direct services requirement and/or ATTACHMENT 5: CERTIFICATION OF CASH AND IN-KIND MATCH forms are incomplete.

### E. Debriefings

Written debriefings of the evaluation results will not be provided to unsuccessful proposals. Oral debriefings may be provided at HSUSPF's discretion.



**A. Addenda**

HSUSPF reserves the right to amend, alter or change the rules and conditions contained in this RFP prior to the deadline for submission of proposals.

HSUSPF reserves the right to negotiate with any qualified bidder, or to modify or cancel in part or in its entirety contract provisions if it is in the best interest of HSUSPF to do so.

HSUSPF reserves the right to extend the submission deadline should this be in the best interest of HSUSPF. Proposing organizations will have the right to revise their proposals in the event that the deadline is extended.

**B. Bidder's Costs**

Costs for developing proposals are entirely the responsibility of the bidder and shall not be reimbursed by HSUSPF.

**C. Applicable Federal Reference Materials**

As participants in a grant program of the SBA, SBDCs shall be familiar with overarching Administration goals and requirements. Reference materials that may be helpful for the applicant include the following:

1. **SBA Five-Year Strategic Plan:**  
[http://www.sba.gov/sites/default/files/serv\\_strategic\\_plan\\_2010-2016.pdf](http://www.sba.gov/sites/default/files/serv_strategic_plan_2010-2016.pdf)
2. **2013 SBDC Program Announcement:**  
[http://www.sba.gov/sites/default/files/files/FINAL%20PA\\_2013%20OGC\\_cleared%20.pdf](http://www.sba.gov/sites/default/files/files/FINAL%20PA_2013%20OGC_cleared%20.pdf)
3. **USC, CFR and OMB Circulars:**  
[http://www.whitehouse.gov/omb/circulars\\_default](http://www.whitehouse.gov/omb/circulars_default)  
 Applicable references include the following:
  - a. 2 CFR Part 220 "Cost Principles for Educational Organizations" (OMB Circular A-21)
  - b. 2 CFR Part 215 "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" (OMB Circular A-110)
  - c. 2 CFR Part 230 "Cost Principles for Non-Profit Organizations" (OMB Circular A-122)
  - d. 13 CFR Part 143 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (OMB Circular A-102)
  - e. 29 CFR Part 99 "Audit of State, Local, and Non-Profit Organizations" (OMB Circular A-133)
  - f. Section 21 of the Small Business Act, 15 U.S.C. 648

##RFP END##









SMALL BUSINESS COMMISSION  
DRAFT SPECIAL MEETING MINUTES



Monday, December 9, 2013

3:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

DOCUMENTS DEPT

JAN 10 2014

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

SAN FRANCISCO PUBLIC LIBRARY

1. Call to order and roll call.

The meeting was called to order at 3:34 PM. Commissioners Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White were present. Commissioner Adams was absent.

2. Approval of the November 18, 2013 meeting minutes. (Action Item)

Motion: Commissioner Dwight motioned to adopt the meeting minutes.

2<sup>nd</sup>: Commissioner Dooley

Aye: Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: Adams

3. Discussion and possible action on SBC File No. R-2013-001-SBC [Supporting SF Small Business Development Center Proposal]. (Discussion and Possible Action Item)

Explanatory Documents: Northern California SBDC RFP No. 2013-SF-01

Jordan Klein, Senior Project Manager, Office of Economic and Workforce Development, presented. Mr. Kline provided an overview of the Small Business Development Center (SBDC) functions and the purpose of the proposed resolution.

Several commissioners commented on the proposal.

Commissioner O'Brien inquired whether any funding was lost when City College of San Francisco stopped acting as the SBDC's fiscal sponsor. Mr. Kline responded that he was not aware of any loss of direct funding, as most of City College's contributions were in-kind.

Commissioner Yee Riley asked what will happen if City College does not lose its accreditation, and also asked what the SBDC host's responsibilities entail (she also communicated her favorable experience working with SBDC during previous business engagement events). Mr. Kline clarified that City College's involvement with SBDC has already ended, although City College could potentially still apply. He is not aware of them submitting an application, however. Mr. Kline explained the host is responsible for ensuring small business consulting services are provided as specified in the RFP. This may include hiring of a Director of Small Business Services within the City, as well as ensuring referrals to outside partners.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

SF  
552  
#2  
12/9/13  
special  
draft



Commissioner Dwight asked for clarification of whether a new employee would be hired in the Office of Small Business, and whether this resolution would obligate the City to provide these services, potentially at the expense of current Office of Small Business services. Mr. Kline indicated that this resolution and related RFP would not obligate any City funds. If the RFP was awarded to OEWD, it would be required to return to the Board of Supervisors to formally ratify a grant contract.

Commissioner Dooley asked if there were other applicants. Mr. Kline stated the due date is December 20, and he is not aware of whether others have submitted applications. He did indicate that at a recent bidder's conference, two local nonprofit agencies were in attendance: Renaissance Entrepreneurship Center and Pacific Community Ventures.

Commissioner White expressed her support for the proposal.

Public comment was called for and no members of the public requested to speak.

Motion: Commissioner Dwight motioned to adopt the proposed resolution.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: Adams

**4. General Public Comment. (Discussion Item)**

General Public Comment was called for and no members of the public requested to speak.

**5. New Business. (Discussion Item)**

Commissioner Dwight asked staff to assess and report on the legal status of home-based businesses utilizing outside contractors as well as those desiring to have employees.

**6. Adjournment. (Action Item)**

Motion: Commissioner Yee Riley motioned to adjourn.

2<sup>nd</sup>: Commissioner Dooley

Aye: Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: Adams

The meeting was adjourned at 4:00 PM.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY













SMALL BUSINESS COMMISSION,  
MUNICIPAL TRANSPORTATION AGENCY BOARD  
OF DIRECTORS, AND PARKING AUTHORITY COMMISSION



NOTICE OF JOINT MEETING & AGENDA

Monday, December 9, 2013

4:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

- SF  
550  
#1  
12/9/13
1. Call to order.
  2. Roll call.
  3. Announcement of prohibition of sound producing devices during the meeting.
  4. Communications. (Discussion Item)
  5. Presentation and discussion regarding the impact that the San Francisco Municipal Transportation Agency's (SFMTA's) transportation planning policies have on the economic vitality of small business in San Francisco and presentation and discussion regarding the SFMTA's governing rules and transportation planning policies and priorities. (Discussion Item)

Explanatory Documents: Slide presentation by Office of Small Business staff; Slide presentation by SFMTA staff.

Presentation by Regina Dick-Endrizzi, Executive Director of the Office of Small Business, and Ed Reiskin, Director of Transportation of the SFMTA.

6. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
7. **Adjournment.** (Action Item)

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## **Know Your Rights Under the Sunshine Ordinance**

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San Francisco, CA 94102-4683  
Office: (415) 554-7724  
Fax: (415) 554-5163  
E-Mail:

[sotf@sfgov.org](mailto:sotf@sfgov.org)

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SMALL BUSINESS COMMISSION,  
MUNICIPAL TRANSPORTATION AGENCY BOARD  
OF DIRECTORS, AND PARKING AUTHORITY COMMISSION



DRAFT JOINT MEETING MINUTES

Monday, December 9, 2013

4:30 P.M.

CITY HALL, ROOM 400

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

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12/9/13  
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SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

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William Ortiz-Cartagena, Irene Yee Riley

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1. Call to order.

The meeting was called to order at 4:33 PM. Commissioner Adams, President of the Small Business Commission, and Director Nolan, Chairman of the San Francisco Municipal Transportation Agency (MTA) Board of Directors, mutually agreed that both meetings would occur concurrently, and that Director Nolan would be the overall presiding officer.

2. Roll call.

Commissioners Adams, Dooley, Dwight, Ortiz-Cartagena, Yee Riley, and White were present. Commissioner O'Brien arrived at approximately 4:34 PM, after consideration of Items 1-3.

3. Announcement of prohibition of sound producing devices during the meeting.

SFMTA Board Secretary Roberta Boomer made the announcement.

4. Communications. (Discussion Item)

Director Nolan introduced SFMTA Director Ed Reiskin and Secretary Boomer. Commissioner Adams introduced Office of Small Business (OSB) Director Regina Dick-Endrizzi.

5. Presentation and discussion regarding the impact that the San Francisco Municipal Transportation Agency's (SFMTA's) transportation planning policies have on the economic vitality of small business in San Francisco and presentation and discussion regarding the SFMTA's governing rules and transportation planning policies and priorities. (Discussion Item)

Explanatory Documents: Slide presentation by Office of Small Business staff; Slide presentation by SFMTA staff.

Regina Dick-Endrizzi, Executive Director of the Office of Small Business, and Ed Reiskin, Director of Transportation of the SFMTA, presented.

Public comment was called for and one member of the public requested to speak.

Chris Dolan, Dolan Law Firm. Employs 45 people and brings commerce to the city. Employees and clients need functional transit. Market Street is evolving, and he believes bicycling was the catalyst. He supports wider sidewalks, transit only lanes, and dedicated bike lanes.

Mary Luran Hall, Alliance for Biking and Walking. Cities are seeing a boom in urban growth for the first

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time since the nation's build out for highways. When you have thousands of people coming into a city, getting people around by car does not work. Transit is important but expensive and slow to implement. As a result, many cities are implementing protected bike lanes. They are innovative and inexpensive solutions. She has data that shows small businesses support dedicated bike lanes. People enjoy these improvements, and protected bike lanes are seen as a neighborhood improvement.

Paolo Cosulich-Schwartz, San Francisco Bike Coalition. His job is to provide one-on-one outreach to businesses to educate and encourage them regarding bicycle-related transportation options. Along Valencia Street, two-thirds of merchants said streetscape improvements enhanced their businesses. There is precedence in other cities to pursue substantial improvements related to livable streets. Believes this hearing is an important first step to making sure all stakeholders are involved.

Gwen Kaplan, owner of Ace Mailing in the northeast Mission area. Her business is in a Production, Distribution, and Repair (PDR) area. She is concerned about retaining the ability to load and unload trucks on-street to support hers and other businesses. She is also concerned about retail parking, meters, and commuters parking in the area to head to other parts of the city. Ms. Kaplan would appreciate the SFMTA Board keeping in mind the unique needs of PDR-type businesses as it develops plans for the future.

Nicole Schneider, Executive Director of Walk SF. She is excited these conversations are happening because small businesses are the heart of a walkable community. Small businesses thrive in walkable neighborhoods.

Dan Nguyen-Tan, owner of Public Bikes. Employs a dozen full-time and a dozen part-time employees. Over half of his customers are adults buying their first bikes. They are incorporating bikes into their lives because of city's investment into the bike network. The biggest obstacle to growing his business is a lack of sufficient infrastructure to making cycling and walking safe and inviting. There is no greater impediment to expanding cycling than auto congestion.

Stephen Cornell, small business owner for 39 years. Small business owners have passion because they have invested great time and resources into their businesses. Changing regulations sometimes elicit reactions because business owners are so passionate about what they do. Small businesses believe Muni is important – they want it, and are concerned about proposals form time-to-time about reducing service in their commercial districts. Earlier comments about certain streets doing well with bikes were true, but one size does not fit all. Valencia Street is a great street for bikes because of the nature of its businesses. It lacks hardware stores, grocery stores, or large drug stores, all of which require large trucks for product deliveries. He also commended SFMTA on its efforts to ensure its employees comply with the City's Transit First policy.

Scott Hauge, owner of Cal Insurance. He was involved in the creation of the Small Business Commission to give small businesses a voice. When decisions are made, small businesses want a voice in the discussions. Mr. Hauge thanked Director Reiskin for his time meeting with small businesses over the past several months. It is important for the SFMTA Board of Directors to understand that its decisions impact small businesses' livelihoods and employees. He requested an ongoing effort by SFMTA to bring in small businesses early in the process to prevent them from becoming reactive when brought in too late. Small businesses want to be good community partners and support Transit First, but they need to be involved in all the discussions just like other stakeholders.

Zack Stender, co-owner of Huckleberry Bicycles. Wants to see more biking improvements. His customers are business executives, professionals, and tech workers who ride bikes to work not because they have to, but because they choose to bike. People are bragging that they ride a bike, and biking is no longer an alternative means of transportation – it is a primary means of traffic. People are fighting traffic despite their primary concern being their own safety. Thousands more would ride if they felt safe. The City needs to accommodate more cyclists, which will help ease the load on private cars and public transportation.

Christine Windsor, San Francisco resident. She walks, bikes, and occasionally drives a car. Presented with any other viable option, she will avoid driving. She strives to shop at local small businesses. She enjoys

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leaving her bike at a parklet bike rack, and frequents small businesses in the vicinity. Regarding the pave and paint concept, she prefers more permanent means like cycle tracks and protected bike ways. Cyclists are not going away. More cyclists mean delivery trucks can get where they want to go without a customer car parked in a spot in front of the delivery area.

David Sahagun, business owner, resident, and member of Merchants of Upper Market and Castro and Fillmore Merchants associations. San Francisco needs balance with small businesses that pay the bulk of taxes among the stakeholders speaking today. He also believes families must be considered in the transportation decision making. The life cycle of raising kids demands convenient parking for attending school and sporting events, doctor visits, and visiting other kinds of stores. The city is more than only bicyclists. Families cannot be forgotten. There needs to be balance for small business and families.

Henry Karnilowicz, Council of District Merchants Associations. Agrees that more people are riding bikes, and that the city should accommodate them. But there is not a uniform solution that works in all neighborhoods. He is aware of experiences in other countries where on-street parking has been removed to provide dedicated bike lanes, but they are working to offset those losses with the development of off-street parking. He asked the SFMTA to figure out context-sensitive solutions for each area.

Madeline Savit, Folks for Polk. Advocates for people on Polk Street corridor. Knows many small business owners that could not attend. She wanted to correct a false dichotomy – cyclists are families and customers – not an either/or proposition. She read statements from individuals she claimed were Polk Street business owners. Ms. Savit wants the best design for Polk Street as San Francisco grows, as it is important for fewer people to drive. Most customers arrive on Polk Street by walking, cycling, and transit. Many Polk Street merchants think planning should be forward thinking. It is important to understand that many customers do not arrive in that area by car and the area needs to adapt to change.

Mitchell Berg, Polk Street merchant. Stated that this evening is the Polk District Merchant Association Christmas party, which may explain why few Polk Street merchants are present. Stated vast majority of Polk Street merchants do not agree with the previous speaker. The merchants are pragmatic group that are happy to have dialogue and be part of the process for change to accommodate more types of users of Polk Street. However, all stakeholders must be represented, not only the most vociferous group. Balance is necessary.

Public comment was closed.

A number of commissioners made statements.

Director Nolan agreed that one size does not fit all. He added that he sees his role on the Board to look out for the entire city, while being mindful of individual groups' or neighborhoods' circumstances. It is a very difficult job that will become more difficult as the Transit Effectiveness Project (TEP) is implemented next year. Director Nolan suggested that the SBC's 12 recommendations be worked on in a joint manner over the coming months, with another meeting in perhaps six months for updates, to show how the SFMTA is working better with small businesses to involve them earlier in the process.

Commissioner Adams agreed with Director Nolan's suggestions, and is pleased that communication is improving where in the past there was little or none.

Commissioner Dooley stated that future follow-up is a good idea, but she wants to make it clear that there are a number of pressing issues now for small business corridors. They are actively affecting businesses and need immediate consideration and action, and she is aware of some in North Beach as an example. Commissioner Adams agreed and cited examples of the Central Subway, Polk Street, and Upper Market.

Director Brinkman agreed we are united on common ground. Small businesses make San Francisco an amazing place to live. She disagreed with those that claim it is not possible to raise a family in the city without owning an automobile. She feels this is untrue, given she rides Muni frequently, and sees families on transit all the time. By improving transit, walkability, and bikeability, while continuing to accommodate cars, the city is helping families.

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Director Lee commented on Commissioner Dooley's request to work immediately on items of urgency. He suggested that perhaps the SFMTA Board's Policy and Governance Committee meet with small business representatives every couple months to hear from small businesses. He does not want to wait for another joint commission-board meeting in six months and report the same problems are occurring. Director Lee will speak with SFMTA staff on timing of an appropriate meeting, and will reach out to Commissioner Dooley.

**6. General Public Comment.**

General Public Comment was called for and two members of the public requested to speak.

Abraham, business owner at Fillmore Street and Eddy Street. He has a concern related to a bus stop in front of his business that has affected it adversely. He tried to contact SFMTA but to no avail. The bus stop location is adversely affecting his business.

Director Nolan referred Abraham to Director Reiskin, who will follow-up on Abraham's concerns.

Scott Hauge. He noted that the Small Business Commission recently supported the SFMTA's Accessible Parking Policy Advisory Committee recommendations. This was an example of future cooperation between the two bodies.

Public comment was closed.

**7. Adjournment.**

Motion: Commissioner Dooley motioned to adjourn.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Adams, Dooley, Dwight, O'Brien, Ortiz-Cartagena, Yee Riley, and White

Nay: None

Absent: None

The meeting was adjourned at 6:14 PM.

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SMALL BUSINESS COMMISSION  
NOTICE OF SPECIAL MEETING & AGENDA



Friday, December 20, 2013  
2:00 P.M.

CITY HALL, ROOM 421

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

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William Ortiz-Cartagena, Irene Yee Riley

1. Call to order and roll call.

2. Discussion and possible action on Board of Supervisors File No. 131121 [Planning Code -- Amending the Third Street Alcohol Restricted Use District]: Ordinance amending the Planning Code, to amend the Third Street Alcohol Restricted Use District, to allow Alcoholic Beverage Control (ABC) Type 2, "Winegrower" licenses; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1. (Discussion and Possible Action Item)

Explanatory Documents: BOS File No. 131121 (PDF), BOS File No. 131121 Legislative Digest

Presentation by Mawuli Tugbenyoh, Legislative Aide to Supervisor Malia Cohen.

3. Discussion and possible action on matters pertaining to the relationship between the City's "Health Care Security Ordinance" (HCSO) and the federal "Patient Protection and Affordable Care Act" (ACA): The relationship between requirements in the HCSO and ACA presents challenges to certain San Francisco employers. The Commission will hear testimony on anticipated impacts on small businesses once both laws are in effect starting January 1, 2014, and may take action to recommend one or more solutions to elected officials and staff at one or more levels of government. (Discussion and Possible Action Item)

Explanatory Documents: Universal Healthcare Council (UHC) Meeting Materials from 12/5/2013

Presentation by Regina Dick-Endrizzi

4. Directors Report: Update and report on the Office of Small Business and the Small Business Assistance Center, update on department programs, recent announcement from the Mayor, newly introduced policy matters, update on legislative matters, and announcements regarding small business activities. (Discussion Item)

5. Approval of the December 9, 2013 Joint SBC-SFMTA Board of Directors meeting minutes. (Action Item)

Explanatory Documents: Draft December 9, 2013 Joint SBC-SFMTA Board of Directors meeting minutes

6. Approval of the December 9, 2013 special meeting minutes. (Action Item)

Explanatory Documents: Draft December 9, 2013 special meeting minutes

7. New Business: Allows Commissioners to introduce new agenda items for future consideration by the Commission. (Discussion Item)

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8. **General Public Comment:** Allows members of the public to comment generally on matters within the Commission's purview, and suggest new agenda items for the Commission's future consideration. (Discussion Item)
9. **Adjournment.** (Action Item)

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## LEGISLATIVE DIGEST

[Planning Code - Amending the Third Street Alcohol Restricted Use District]

**Ordinance amending the Planning Code, to amend the Third Street Alcohol Restricted Use District, to allow Alcoholic Beverage Control (ABC) Type 2, "Winegrower" licenses; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.**

### Existing Law

The Planning Code establishes several Alcohol Restricted Districts. These are areas of the City where new establishments that sell alcohol (whether for consumption on- or off- the premises) are limited or prohibited. These restrictions are usually created in order to preserve the character of the different neighborhoods, and to address the numerous peace, health, safety and general welfare problems associated with the existence of a large concentration of establishments that sell alcohol. (See, e.g., Section 249.60 [Mission Alcoholic Beverage Special Use District]; Section 249.62 [Third Street Alcohol Restricted Use District]; Section 783 [Divisadero Street Alcohol Restricted Use District]; and Section 784 [Lower Haight Street Alcohol Restricted Use District].)

The Third Street Alcohol Restricted Use District was created in 2011 and is located in the area generally bounded by Islais Creek to the North, Quint Street, Phelps Street, Tampa Street, Bridgeview Drive, Newhall Street, Venus Street and Egbert Avenue to the West, US Highway 101 to the South, and Mendell Street, La Salle Avenue, Keith Street, Palou Street, Jennings Street, and Ingalls Street to the East. In the Third Street Alcohol Restricted Use District new liquor stores and bars, as defined in the Planning Code, are prohibited, with some exceptions.

### Amendments to Current Law

This ordinance would amend the Third Street Alcohol Restricted Use District to allow the sale of wine and brandy pursuant to an Alcoholic Beverage Control (ABC) License Type 2.

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[Planning Code - Amending the Third Street Alcohol Restricted Use District]

Ordinance amending the Planning Code, to amend the Third Street Alcohol Restricted Use District, to allow Alcoholic Beverage Control (ABC) Type 2, "Winegrower" licenses; and making environmental findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

NOTE: Unchanged Code text and uncodified text are in plain Arial font. Additions to Codes are in single-underline italics Times New Roman font. Deletions to Codes are in ~~striketrough italics Times New Roman font~~. Board amendment additions are in double-underlined Arial font. Board amendment deletions are in ~~striketrough Arial font~~. Asterisks (\* \* \* \*) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_ and is incorporated herein by reference.

(b) Pursuant to Planning Code Section 302, this Board finds that these Planning Code amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No. \_\_\_\_\_ and the Board incorporates such reasons herein by reference. A copy of Planning Commission Resolution No. \_\_\_\_\_ is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

(c) On \_\_\_\_\_, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the City's General Plan and eight priority policies of Planning Code Section 101.1. The Board



1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
2 Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

3 Section 2. The Planning Code is hereby amended by revising Section 249.62, to read  
4 as follows:

5 **SEC. 249.62. THIRD STREET ALCOHOL RESTRICTED USE DISTRICT.**

6 There is an unusually large number of establishments dispensing alcoholic  
7 beverages, including beer and wine, for both on-site and off-site consumption in the Bayview  
8 area. The existence of this many alcoholic beverage establishments appears to contribute  
9 directly to numerous peace, health, safety and general welfare problems in the area, including  
10 loitering, littering, drug trafficking, prostitution, public drunkenness, defacement and damaging  
11 of structures, pedestrian obstructions, as well as traffic circulation, parking and noise  
12 problems on public streets and neighborhood lots. The existence of such problems creates  
13 serious impacts on the health, safety and welfare of residents of nearby single- and multiple-  
14 family areas, including fear for the safety of children, elderly residents and of visitors to the  
15 area. The problems also contribute to the deterioration of the neighborhood and concomitant  
16 devaluation of property and destruction of community values and quality of life. The number of  
17 establishments selling alcoholic beverages and the associated problems discourage more  
18 desirable and needed commercial uses in the area.

19 (a) In order to preserve the residential character and the neighborhood-serving  
20 commercial uses of the area, the Third Street Alcohol Restricted Use District (Third Street  
21 Alcohol RUD) is hereby established for the property in the area generally bounded by Islais  
22 Creek to the North, Quint Street, Phelps Street, Tampa Street, Bridgeview Drive, Newhall  
23 Street, Venus Street and Egbert Avenue to the West, US Highway 101 to the South, and  
24 Mendell Street, La Salle Avenue, Keith Street, Palou Street, Jennings Street, and Ingalls



1 Street to the East, as designated on Sectional Map numbers 8 and 10. The Third Street  
2 Alcohol RUD is designated on Section Map Numbers 8SU and 10SU.

3 (1) No new on-sale or off-sale liquor establishment shall be permitted in the Third  
4 Street Alcohol RUD.

5 (2) The prohibition on Liquor Establishments shall not be interpreted to prohibit the  
6 following:

7 (A) Temporary uses, as described in Planning Code Section 205.1 or 205.3; or

8 (B) Establishment of a Liquor Establishment if application for such Liquor  
9 Establishment is on file with the California Department of Alcoholic Beverage Control prior to  
10 the effective date of legislation establishing the Third Street Alcohol RUD; or

11 (C) Sales of wine and brandy pursuant to an Alcohol Beverage Control (ABC) License  
12 Type 2.

13 (3) Continuation of existing Prohibited Liquor Establishments. In the Third Street  
14 Alcohol RUD, any Prohibited Liquor Establishment may continue in accordance with Planning  
15 Code Section 180 through 186.2, subject to the following provisions.

16 (A) A Prohibited Liquor Establishment lawfully existing and selling alcoholic  
17 beverages as licensed by the State of California prior to the effective date of this legislation, or  
18 subsequent legislation prohibiting that type of Liquor Establishment, so long as otherwise  
19 lawful, may continue to operate only under the following conditions, as provided by California  
20 Business and Professions Code Section 23790:

21 (1) Except as provided by Subsection (B) below, the premises shall retain the  
22 same type of retail liquor license within a license classification; and

23 (2) Except as provided by Subsection (B) below, the licensed premises shall  
24 be operated continuously, without substantial change in mode or character of operation.



1 (B) A break in continuous operation shall not be interpreted to include the  
2 following, provided that the location of the establishment does not change, the square footage  
3 used for the sale of alcoholic beverages does not increase, and the type of California  
4 Department of Alcoholic Beverage Control Liquor License ("ABC" License) does not change  
5 except as indicated:

6 (1) A change in ownership of a Prohibited Liquor Establishment or an owner-  
7 to-owner transfer of an ABC License;

8 (2) Re-establishment, restoration or repair of an existing Prohibited Liquor  
9 Establishment on the same lot after total or partial destruction or damage due to fire, riot,  
10 insurrection, toxic accident or act of God; or

11 (3) Temporary closure of an existing Prohibited Liquor Establishment for not  
12 more than ninety (90) days for repair, renovation or remodeling;

13 (4) Re-location of an existing Prohibited Liquor Establishment in the Third  
14 Street Alcohol RUD to another location within the same Third Street Alcohol RUD with  
15 conditional use authorization from the City Planning Commission, provided that the original  
16 premises shall not be occupied by a Prohibited Liquor Establishment, unless by another  
17 Prohibited Liquor Establishment that is also relocating from within the Third Street Alcohol  
18 RUD.

19 (5) A change from a Type 21 (off-sale) to a Type 20 (off-sale beer and wine)  
20 license or a change from any Alcohol Beverage Control Board License type to a Type 41 (on-  
21 sale beer and wine - eating place).

22 (b) The following shall apply to all liquor establishments in the Third Street Alcohol  
23 RUD in order to maintain the safety of the premises and vicinity:  
24  
25



1 (1) Liquor establishments shall provide outside lighting in a manner sufficient to  
2 illuminate street and sidewalk areas and adjacent parking, as appropriate to maintain security.  
3 without disturbing area residences;

4 (2) No more than 33 percent of the square footage of the windows and clear doors  
5 of Liquor establishments shall bear advertising or signage of any sort, and all advertising and  
6 signage shall be placed and maintained in a manner that ensures that law enforcement  
7 personnel have a clear and unobstructed view of the interior of the premises, including the  
8 area in which the cash registers are maintained, from the exterior public sidewalk or entrance  
9 to the premises. This requirement shall not apply to premises where there are no windows, or  
10 where existing windows are located at a height that precludes a view of the interior of the  
11 premises to a person standing outside the premises.

12 (c) Definitions.

13 (1) A "liquor establishment" shall mean any enterprise selling alcoholic beverages,  
14 as defined by California Business and Professions Code Section 23004 and 23025, pursuant  
15 to a California Alcoholic Beverage Control Board license.

16 (2) An "on-sale liquor establishment" shall mean any liquor establishment which  
17 has obtained Alcoholic Beverage Control Board license type 40 (on-sale beer), type 42 (on-  
18 sale beer and wine public premises), type 48 (on-sale general-public premises) or type 57  
19 (special on-sale general) selling alcoholic beverages for consumption on the premises.  
20 Typical on-sale establishments may include but are not limited to bars serving alcoholic  
21 beverages. It shall not include types 41, 47, 51, 52, 59, 60, 61, 67, 70 or 75.

22 (3) An "off-sale liquor establishment" shall mean any establishment that is defined  
23 in Section 790.55 of this Code.

24 (4) A "prohibited liquor establishment" shall mean any establishment selling  
25 alcoholic beverages lawfully existing prior to the effective date of the establishment of the



1 Third Street Alcohol RUD and licensed by the State of California for the retail sale of alcoholic  
2 beverages for on- or off-site consumption, so long as otherwise lawful.

3 (d) Fringe Financial Services. In addition to all other applicable controls set forth in  
4 this Code, properties in the Third Street Alcohol Restricted Use District are within the Fringe  
5 Financial Service Restricted Use District established by Section 249.35 and are subject to the  
6 controls and exemptions set forth in Section 249.35.

7 Section 3. Effective Date. This ordinance shall become effective 30 days after  
8 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
9 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
10 of Supervisors overrides the Mayor's veto of the ordinance.

11 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
12 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
13 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Planning  
14 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
15 additions, and Board amendment deletions in accordance with the "Note" that appears under  
16 the official title of the ordinance.

17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20 By: \_\_\_\_\_  
21 ANDREA RUIZ-ESQUIDE  
22 Deputy City Attorney

23 n:\legallas2013\1400231\00884432.doc  
24  
25



# UNIVERSAL HEALTHCARE COUNCIL 2013 December 5, 2013 MEETING AGENDA

December 5, 2013 | 10AM – 12PM | 25 Van Ness Avenue, Room 610

## Meeting Objectives

- Review OLSE FAQs on rollover HRAs
- Review and Discuss Draft Final Report

- |   |        |
|---|--------|
| 1. Meeting overview   | 5 min  |
| <ul style="list-style-type: none"><li>• Reminders</li><li>• Agenda review</li></ul>   |        |
| 2. Review of OLSE FAQ on HRAs   | 10 min |
| 3. Presentation   | 30 min |
| Draft Final Report<br>Colleen Chawla, Deputy Director of Health, Director of Policy & Planning, San Francisco Department of Public Health |        |
| 4. Discussion   | 55 min |
| 5. Public Comment   | 15 min |
| 6. Closing Comments and Next Steps  | 5 min  |

## Meeting Materials

- Agenda
- November 7, 2013 Meeting Minutes
- OLSE FAQ on rollover HRAs
- Draft Final Report



## **Meeting Accessibility**

### **Wheelchair Accessibility**

Meetings of the Universal Healthcare Council will be held at 25 Van Ness Avenue, Room 610. The building is accessible by wheelchair on Van Ness Avenue. The 6<sup>th</sup> floor is accessible by elevator and room 610 is accessible by a chair lift.

The nearest accessible BART station is Civic Center (Market/Grove/Hyde Streets). Accessible MUNI Metro lines are the J, K, L, M, and N (Civic Center or Van Ness Stations). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/Noriega. For more information about MUNI accessible services, please call (415) 923-6142. For information about MUNI services, please call (415) 673-6864. There is accessible parking on Oak Street.

### **Other**

To assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

### **Interpretation Services**

American Sign Language interpreters and readers and/or language interpreters are available *with advance notice of three business days*. The Department of Public Health will make every effort to accommodate requests for sound enhancement systems and alternative formats for meeting minutes and agendas. Please make these requests as far in advance as possible. For all requests, please contact Aneeka Chaudhry at (415) 554-2925.



# UNIVERSAL HEALTHCARE COUNCIL 2013 November 7, 2013 MEETING MINUTES

November 7, 2013 | 10-12 PM | 25 Van Ness Avenue, Room 610

## 1. Co-Chair Remarks and Agenda Review

Ms. Garcia noted that the topic of this meeting was financial considerations for all those who bear a shared responsibility to access to health care. She reiterated that the meeting materials and presentation are the Department's current best understanding of a fluid and dynamic situation, and are not legal advice or opinion.

Dr. Hernandez reminded members that the UHC will be making recommendations for consideration by policy makers. The recommendations need not reach a consensus, and in the absence of final federal guidance, may take the form of if-then scenarios. Please submit recommendations to Colleen Chawla by November 27<sup>th</sup>.

The Co-Chairs postponed the final UHC meeting, from November 14<sup>th</sup> to December 5<sup>th</sup>, in the interest of allowing members more time to submit recommendations.

## 2. Presentation on Financial Considerations

Ms. Chawla presented on health-care costs faced by individuals and families, employers, and the local public health system. The presentation used scenarios to highlight cost considerations from each perspective and identified groups of San Franciscans with potential health care affordability or coverage concerns.

Major discussion themes during the presentation are highlighted below, and answers follow-up requests are included at the end of this document.

- Out-of-pocket costs contribute greatly to health care costs
- Federal tax subsidies may not be enough to make health insurance truly affordable for those earning between 300-400% of FPL
- Families and some spouses face barriers to affordable health insurance
- Small businesses face barriers to offering affordable health insurance
- Small businesses rely heavily on HRAs to comply with the HCSO
- Part-time employees, particularly those who are low-wage earners, are at high risk for not having coverage or being unable to afford coverage
- The costs of caring for the uninsured and indigent are very high for the City
- Bay area has very high costs of living and doing business
- Uncertainty around HRA balances may have negative consequences for employers and employees

## 3. Public Comment

Nate Pollak, owner of two SF restaurants, noted that movement away from HRAs reduces a small business's access to usable, flexible cash flow and increases the cost of doing business in SF. He also commented that young workforces, like his, might value wage raises more than health care expenditures. He recommended



aligning the HCSO with the ACA, by either eliminating the employer spending requirement for businesses with fewer than 50 employees, or by allowing a flexible spending compliance option for small businesses.

#### 4. Closing Comments and Next Steps

Upcoming Council Meeting Dates:

DATE	TIME	LOCATION
December 5, 2013	10AM-12PM	25 Van Ness Ave, Room 610

Please submit recommendations to Colleen Chawla by November 27<sup>th</sup>.

#### Members Present:

- Rob Black
- Eddie Chan
- Steve Fields
- Gordon Fung
- Estela Garcia
- Barbara Garcia
- John Gressman
- Scott Hauge
- Steve Heilig
- Sandra Hernandez
- Ken Jacobs
- Perry Lang
- Ian Lewis
- Sonia Melara
- Bob Muscat
- Fred Naranjo
- Michael Pappas
- Tim Paulson
- Trent Rhorer
- Wade Rose
- Ben Rosenfield
- Amor Santiago
- Ron Smith
- Abby Snay
- John Stead-Mendez
- Brenda Storey
- Laurie Thomas
- Chris Wright
- Lucien Wulsin, Jr
- Brenda Yee
- Emily Webb (Observing for Warren Browner)

#### Materials Distributed:

- Meeting Agenda
- October 24, 2013 Meeting Minutes
- "Financial Considerations for Individuals, Employers, and the Local Public Health System"



**Follow-up information requested at 11.7.13 Universal Healthcare Council meeting**  
**Sent via email on 11.18.13:**

**Covered CA subsidies and affordability:**

Federal tax credits to reduce the cost of premiums for plans purchased on Covered CA are available for individuals and families earning between 138-400% of FPL. Applied on a sliding scale, these subsidies are designed to cap the cost of the second least expensive Silver plan at a percent of income defined by the ACA. For example, an individual earning 200% of FPL (\$22,980/yr) will receive a subsidy in the amount needed to ensure that annual premiums for the second-lowest cost Silver plan do not exceed \$1,488 (6.3% of household income). The following table shows premium contribution caps by income and household size.

Annual Household Income			Maximum Annual Contribution to Premiums		
% of FPL	Individual (\$)	Family of Three (\$)	% of Household Income	Individual (\$)	Family of Three (\$)
138 – 150%	\$15,888-17,235	\$26,951-29,295	3-4%	\$472-689	\$809-1,172
150 – 200%	17,235-22,980	29,295-39,060	4-6.3%	689-1,448	1,172-2,461
200 – 250%	22,980-28,725	39,060-48,825	6.3-8.1%	1,448-2,327	2,461-3,955
250 – 300%	28,725-34,470	48,825-58,590	8.1-9.5%	2,327-3,275	3,955-5,566
300 – 400%	34,470-45,960	58,590-78,120	9.5%	3,275-4,366	5,566-7,421
400% +	45,960+	78,120+	9.5% if employer-sponsored N/A on Exchange, but if lowest cost Bronze plan exceeds 8% of income, a hardship exemption may be available		

Premium tax credits can be used on any plan, but people earning less than 250% of FPL are eligible for additional subsidies for out-of-pocket costs if they purchase the Silver tier plan (known as the Enhanced Silver plan on Covered CA). Because plan premiums generally increase with age, older persons usually receive a higher subsidy than younger persons with the same income.

The following tables show examples of final Covered CA premium costs (after subsidies are applied) for an individual and family of three living in San Francisco, by income level.

Household Size: 1 Age: 42 Annual Income	Premium Tax Credit (\$/month)	Final Cost (\$/month)			
		Bronze	Silver	Gold	Platinum
\$16,000 (139% FPL)	\$243-346	\$1	\$1-93	\$101-179	\$150-283
\$22,000 (191% FPL)	243-282	1-42	58-157	65-242	213-347
\$28,000 (244% FPL)	208	35-116	182-231	239-317	288-421
\$34,000 (296% FPL)	125	118-199	215-314	322-400	371-504
\$45,000 (392% FPL)	34	209-290	306-405	412-490	461-595
\$57,000 (496% FPL)	0	243-324	340-439	447-524	496-629

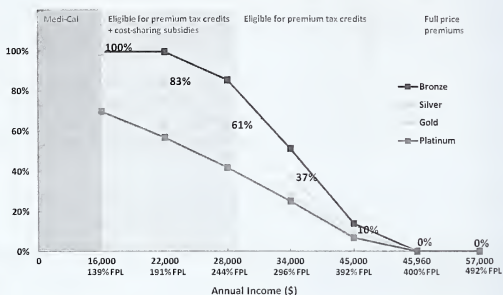


Household Size: 3 Ages: 36, 36, 5* Annual Income	Premium Tax Credit (\$/month)	Final Cost (\$/month)			
		Bronze	Silver	Gold	Platinum
\$28,000 (143% FPL)	\$451-651	\$2	\$2-\$174	\$189-\$333	\$279-\$527
\$37,000 (189% FPL)	451-546	2-56	86-269	284-428	374-622
\$46,000 (235% FPL)	436**	15-166	195-309	394-538	484-732
\$57,000 (292% FPL)	472**	96-285	322-553	571-753	685-997
\$76,000 (389% FPL)	310	257-446	484-715	733-914	847-1159
\$94,000 (481% FPL)	0	568-757	794-1025	1043-1227	1157-1471

\*Child may be eligible for Medi-Cal up to \$51,900/yr (250% of FPL). \*\* Covered CA calculates a larger subsidy for the higher income, because the child is no longer eligible for Medi-Cal.

The following graph depicts how subsidies on Covered CA reduce premium costs by income level for a 42-year old San Franciscan. From 250-400% of FPL, there is a sharp decline in the amount of assistance available, and an individual earning near 400% of FPL is responsible for 90% of the plan cost.

Percent of Annual Premiums Subsidized by Income Level \*

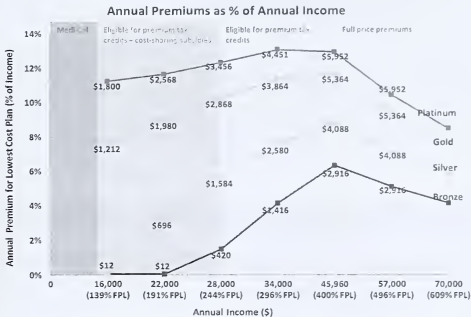


\*Curves based on maximum allowable annual tax credit and price of lowest cost plan in each tier, for a 42-year-old San Francisco resident. Out-of-pocket costs are not accounted for. Values are shown for the Silver plan, to which the subsidies are tethered.

Those earning between 300-500% of FPL are likely to pay a higher proportion of their incomes toward premiums than those earning below or above these thresholds. This is due to the declining subsidy rate from 250-400% of FPL, and the fact that higher incomes can compensate for the cost of premiums. The following graph illustrates this affordability concern by depicting the annual premiums that a 42 year-old San Franciscan would pay for



the least expensive plan in each tier. The dollar figures show annual plan price, and the curve points reflect the cost of that plan as percent of income.



\*Curves based on maximum allowable annual tax credit and price of lowest cost plan in each tier for a 42-year old San Francisco resident. Dollar values reflect annual price of premiums only; out-of-pocket costs are not included.

#### Employer sponsored health insurance for part-time workers:

- To what extent are group plans offered to employees who work 20/hours a week or less?

The Current Population Survey (CPS), administered by the U.S. Census Bureau, estimates that in California, 9.6% of employees working less than 20 hours per week have employer-sponsored insurance, compared to 15.3% of employees working 20-29 hours per week, and 54.3% of employees working more than 30 hours per week.<sup>1</sup> County level data are unavailable.

Note: Division 2, Part 2, Chapter 8, Section 10705(f) of the California Insurance Code stipulates that insurers may not encourage small employers to exclude eligible employees from a health benefit plan, and Section 10705(g) states that insurers may not reject applications for insurance from eligible small employers who offer insurance to 100% of their employees.

For these purposes, Section 10700(f)(1) defines "eligible employees" to include permanent employees working 20-29 hours per week if all of the following conditions are met: the employee is otherwise eligible except for the number of

<sup>1</sup> U.S. Census Bureau, CPS March Supplement, 2011-2013.



hours worked (i.e. has met any required waiting periods), the employer offers insurance to that employee, all similarly situated employees are offered coverage under the plan, and the employee has worked a minimum of 20 hours per week for at least 50% of the weeks in the previous quarter.

- *How many small firms provide coverage to families?*

The California Employer Health Benefits Survey (CEHBS) finds that among California firms with fewer than 50 employees, 65.9% offer some form of coverage to their employees, and 60.6% offer family benefits.<sup>2</sup> However, employees of smaller firms are likely to pay more for family coverage than employees of larger firms: 33% of employees at smaller firms (3-199 employees) pay more than half of the cost of premiums for family coverage, compared to only 4% of employees at large firms (200+ employees).

#### **Healthy SF:**

- *How does an individual qualify for Healthy San Francisco if offered unaffordable insurance (i.e. per family glitch scenario)?*

Under current Healthy San Francisco (HSF) eligibility rules, persons who are eligible for subsidized coverage (earning up to 400% of FPL) are not eligible for HSF. Individuals earning between 400-500% of FPL are eligible to participate in HSF. Those earning above 500% FPL are not eligible, unless they are uninsured San Francisco residents whose employer contributes to the City Option on their behalf.

#### **HRAs:**

- *HRA spending by industry:*

Analysis of the 2012 Annual Reporting Forms, conducted by the Office of Labor Standards Enforcement (OLSE), found that among the 996 employers using HRAs as a form of compliance with the HCSO, the top six industries represented are:

- Business Services (except advertising) – 229 (23%)
- Eating and Drinking Places (restaurants) – 202 (20%)
- Eating Places (restaurants) – 92 (9.2%)
- Other Retail stores – 44 (4.4%)
- Business Services – 36 (3.6%)
- Retail Stores – 32 (3.2%)
- all other industries represent 0.1% -3.3% of the 996 employers

- *Use of stand-alone HRAs:*

Analysis of the 2012 Annual Reporting Forms, conducted by OLSE, found that a minimum of 658 employers contributed to at least one stand-alone HRA, and a minimum of 35,947 employees had funds in a stand-alone HRA. Due to how the data are reported, only minimum estimates are possible.

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<sup>2</sup> California Health Care Foundation & NORC at University of Chicago, CEHBS, 2012.



- *Accrual vs. Cash business accounting methods:*
  - The cash method of accounting does not count sales as income until a check or cash is actually received. Similarly, expenses are not deducted until actually paid.
  - Under the accrual method, business transactions are recorded as they happen, whether or not actual money has been received or paid.

**Cost to the local health system:**

- *General Fund draw down*

The San Francisco Department of Public Health is the largest department in the City and draws heavily from the General Fund (GF). The largest proportion of DPH expenditures is allocated to delivering care to patients, including those who are seen through Healthy San Francisco and DPH hospitals and clinics. In the last three years, DPH has required \$248.7-\$336.5 million per year from the General Fund to cover shortfalls resulting from the cost of delivering health care services.

DPH Direct Patient Costs FY 2010-11 to FY 2012-13			
	FY 2010-11 (\$)	FY 2011-12 (\$)	FY 2012-13 (\$)
Expenses	1,382,649,481	1,482,827,765	1,596,688,969
Revenues	1,096,922,204	1,234,116,532	1,260,184,512
GF Support	285,727,277	248,711,233	336,504,457

- *History of DPH financing indigent care and new revenue shortages*

DPH has a history of heavily financing indigent care, as evidenced by the numbers above. Under the ACA, the Department will see new revenue shortages, as "lump sum" payments to support the uninsured and safety net services will be reduced. To maintain current service levels, these payments will need to be replaced with earned managed care revenues. Examples of revenue loss include \$31.4 million in federal payment reductions for hospitals that take on a disproportionately high share of indigent patients, and a loss of \$40 million to the state's realignment strategy for indigent care funds.
- *What proportion of DPH reimbursement is from Medi-Cal?*

Based on the projected FY14 baseline budget, Medi-Cal and Short-Doyle Medi-Cal comprise 46% of Net Patient Service Revenue (\$318million of \$686million).

**The cost of doing business in San Francisco:**

Correlating to its ranking 4<sup>th</sup> highest for overall cost of living, San Francisco also has a high cost of doing business:

- A 2005 Moody's Analytics analysis of 361 Metropolitan Statistical Areas (MSAs) indicated that San Francisco's MSA ranked 7<sup>th</sup> in the overall cost of doing business. This ranking takes into consideration labor costs, state and local taxes, energy costs, and office space costs. Aggregation of data by region indicated the West had the second-highest costs overall, and, by state, California had the second highest overall business costs.



- |                   |                            |
|-------------------|----------------------------|
| 1. Boston MA      | 6. Riverside CA            |
| 2. San Diego CA   | 7. <b>San Francisco CA</b> |
| 3. Los Angeles CA | 8. Oxnard CA               |
| 4. Sacramento CA  | 9. Fresno CA               |
| 5. New York NY    | 10. Madera CA              |

Note: This analysis does not account for employer costs related to various city ordinances or the SF minimum wage.



## Office of Labor Standards Enforcement (OLSE)

### FAQs on Remaining Balances in Stand-Alone Health Reimbursement Accounts (accessed from <http://iflso.org/index.aspx?page=6306#HRAFAQ>)

11. Q: Under the Health Care Security Ordinance (HCSO), what are an employer's obligations with respect to unused funds credited to stand-alone HRA accounts before January 1, 2014?

A: To constitute a Health Care Expenditure on behalf of a Covered Employee, the HCSO requires that a contribution designated or paid to a reimbursement program, which is not irrevocably paid to a third party, remain available to the Covered Employee for a minimum of 24 months from the date of contribution.

12. Q: Given that most stand-alone HRAs will not comply with the requirements of the Affordable Care Act (ACA) that go into effect on January 1, 2014, will an employer face a federal tax penalty for continuing to administer its HRA (ie: without making new deposits) until the 24-month availability requirement is satisfied?

A: Probably not. Unused HRA funds credited before January 1, 2014, may still be used after December 31, 2013, in accordance with the terms of the HRA as they existed on January 1, 2013, without subjecting the employer to a penalty. However, the employer may not make any new contributions to non-ACA-compliant HRAs on or after January 1, 2014, and some contributions made in 2013 may be subject to a ceiling.

13. Q: Can employees use remaining HRA funds to purchase health insurance through Covered California?

A: Possibly. If an employer's HRA plan permits employees to seek reimbursement for health insurance premiums, employees may use HRA funds to reimburse the cost of health insurance premiums purchased through health care exchanges such as Covered California the same as any other health insurance coverage.

Please note, however, that employees with health reimbursement accounts will be ineligible for federal premium assistance tax credits (subsidies) when purchasing insurance through Covered California for any month in which HRA funds remain available to the employee. This is true regardless of whether the employee uses the HRA funds to buy insurance through the exchange, uses them for other reimbursable expenses, or does not use the funds at all.

14. Q: Are there any federal tax consequences for employees who have access to funds remaining in an employer's Health Reimbursement Arrangement (HRA) after December 31, 2013?

A: Yes. The Internal Revenue Service considers an employee with a HRA to be enrolled in an employer-sponsored group health plan that constitutes "Minimum



Essential Coverage.” Beginning January 1, 2014, the Affordable Care Act requires each individual taxpayer to have Minimum Essential Coverage or pay a tax penalty. Employees with HRAs will not be subject to this penalty. However, as noted in question 3, employees with HRAs will also be ineligible for federal premium assistance tax credits for any month in which the HRA funds remain available to the employee.

15. Q: Can employees opt out of HRAs and become eligible for federal premium assistance tax credits to assist with purchasing health insurance through Covered California?

A: Yes. Employees may forfeit the available funds. If they do so, those employees who meet certain residency, citizenship and income requirements and who do not have another source of Minimum Essential Coverage become eligible for federal premium assistance tax credits in the following month.

16. Q: If an employee opts out of an HRA and forfeits funds before the funds have been available for 24 months from the date of contribution, what are the employer’s responsibilities under the HCSO?

A: If an employee opts out of an HRA and forfeits available funds before those funds have been available for a minimum of 24 months from the date of contribution, the forfeited funds do not constitute Health Care Expenditures and do not satisfy the employer’s obligations under the Employer Spending Requirement of the HCSO. A contribution designated or paid to a reimbursement program, which is not irrevocably paid to a third party, constitutes a health care expenditure only if that contribution remains available to the employee for a minimum of 24 months from the date of contribution and meets other conditions described in Section 14.1(b)(7)(B) of the Ordinance. If the forfeited funds were not available for a minimum of 24 months, the employer will be required to make a valid Health Care Expenditure of an equivalent amount through another HCSO compliance strategy. See [FAQ #3](#) for examples of Health Care Expenditures.



## UNIVERSAL HEALTHCARE COUNCIL 2013 DRAFT FINAL REPORT

### Introduction

On July 25, 2013, Mayor Lee asked Director of Health, Barbara Garcia, to reconstitute the Universal Healthcare Council (UHC) to engage stakeholders in a data-driven process to examine San Francisco's implementation of the federal Affordable Care Act (ACA) and its integration with the Health Care Security Ordinance (HCSO). The work of the original UHC, convened in February 2006 by then-Mayor Newsom, ultimately resulted in the enactment of the HCSO, which encompasses the Healthy San Francisco program, a health care access program for the uninsured, and the Employer Spending Requirement, which requires employers to make health care expenditures on behalf of their employees. The reconstituted 41-member UHC was co-chaired by Director Garcia and Dr. Sandra Hernandez, CEO of The San Francisco Foundation. This report details the work and recommendations of the 2013 UHC, including the finding that **the HCSO remains intact alongside the ACA.**

### UHC Guiding Principles

The UHC adopted the following guiding principles, adapted from the 2006 UHC and updated to reflect the charge of the 2013 UHC in the post-ACA environment.

- **Support the Affordable Care Act** – The UHC supports the ACA and is committed to full implementation of the ACA in San Francisco. The ACA builds on what San Francisco began and presents an opportunity for San Francisco to continue to lead the way in health care access.
- **Maximize Enrollment into Health Insurance** – Health insurance is better than uninsurance and the UHC is committed to maximizing enrollment of San Franciscans into the new insurance opportunities created by the ACA.
- **Leverage State and Federal Funding** – All available state and federal funds that support enrollment of San Franciscans into health insurance should be utilized and encouraged.
- **Maintain Healthy San Francisco** – Though Healthy San Francisco is not health insurance, it provides access to health care services for San Francisco's most vulnerable uninsured. At a minimum, Healthy San Francisco should be preserved for individuals who do not qualify for publicly-funded health insurance, but also should not be an impediment to full implementation of the ACA.



- **Maximize Affordability** – Health insurance options must be affordable for San Franciscans to maximize enrollment.
- **Shared Responsibility** – Fundamental to the UHC's vision and goal is the notion of collective responsibility. All sectors of society – individuals as well as public, private, and non-profit entities - must take a role in reducing the number of uninsured residents and ensuring access to care. Shared responsibility increases affordability and should continue to form the basis of creative local solutions to provide access to health insurance and care.

## **UHC 2013 Recommendations**

The UHC's recommendations for the City, collected throughout the process, are listed below. Like recommendations were combined, and are grouped for ease of understanding and numbered for ease of reference. The order in which they are presented is not a reflection of priority. Each recommendation stands on its own and, as the UHC process did not require members to reach consensus, some recommendations may conflict with others. This report will be presented to Mayor Lee to inform future policymaking.

### **Maintain the Current Status**

1. Maintain the HCSO in its current form with robust monitoring and enforcement.
2. Maintain Healthy San Francisco and Healthy Kids for those left out of the ACA.

### **Align the HCSO with the ACA**

3. Align HCSO employer obligations with ACA employer provisions, and eliminate the Employer Spending Requirement (ESR) for businesses with fewer than 50 employees.<sup>3</sup>
4. Deem large and small employers that offer full- or part-time employees ACA-compliant health insurance as compliant with the HCSO and provide a "safe harbor" from any financial obligations that may remain under the HCSO.

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<sup>3</sup> The HCSO requires employers with 20+ employees to make health care expenditures on behalf of employees working a minimum of 8 hours per week.



5. For large employers that choose to pay the ACA penalty, credit the amount of penalty toward compliance with HCSO.

**Modify the HCSO Employer Spending Requirement**

6. Lower the health care expenditure (HCE) rate.<sup>4</sup>
7. Tether HCE rates to costs on Covered CA.
8. Adjust HCE levels to reflect the current average health reimbursement account (HRA) reimbursement rate of ~24.6%.
9. Remove requirement for employers to make HCEs for employees who decline insurance.<sup>5</sup>
10. Credit as valid HCE only those funds that are irrevocably spent by employer.
11. Approve a method of HCSO compliance that allows for direct reimbursement of employee health expenses that does not jeopardize employee eligibility for ACA subsidies, such as excepted benefit HRAs.
12. Restrict the amount of funds that can be allocated to excepted benefits HRAs to a level that can reasonably be spent by an average employee in a year.

**Modify the City Option**

13. Create a wrap-around program funded by HCEs to pay for services not covered by Medi-Cal or Covered California plans (e.g., dental, vision).
14. Create a public benefit program that pools HCEs to support Healthy San Francisco for those ineligible for ACA coverage and to assist with cost-sharing to assure the affordability of health insurance for those eligible for ACA coverage.
15. Allow unused City medical reimbursement account (City MRA) funds to revert to employers after a certain time.

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<sup>4</sup> The health care expenditure (HCE) rate is currently set to 75% (for large employers) and 50% (for small and medium employers) of the average contributions made by the 10 most populous California counties to their employees' health insurance. The 2014 rates are \$1.63/hour worked per employee for businesses with 20-99 employees, and \$2.44/hour worked per employee for businesses with more than 100 employees.

<sup>5</sup> The HCSO allows employees to waive HCEs made on their behalf only if they have employer-sponsored coverage, either from another employer or through a spouse's employer. Individual coverage, whether purchased through Covered CA or through the individual market does not qualify for a waiver.



16. Create a non-City MRA compliance option that does not require fully irrevocable, upfront expenditures for small businesses.
17. Expand Healthy San Francisco eligibility to cover populations not eligible for ACA coverage, including undocumented seniors, people exempt from the individual mandate, immigrants not eligible for publicly-subsidized coverage, individuals barred from subsidies due to the "family glitch," and those for whom insurance would cost more than eight percent of family income.
18. Petition Covered CA to accept direct payments from City MRAs, saving employees the need to pay for premiums up-front.
19. Enforce the HCSO policy that allows unclaimed City MRA funds to be transferred to the Department of Public Health to help defray the costs indigent care.

#### **Address Carryover HRA Balances**

20. Work with employers to convert carryover HRAs to City MRAs.
21. Work with employers to modify policies to keep carryover HRAs from interfering with employee eligibility for health insurance subsidies on Covered CA.
22. Work with employers to amend restricted carryover HRAs to allow employees to spend down the HRA balance to purchase insurance on Covered CA.
23. Do not require employers to make additional HCEs for employees who opt out of carryover HRAs.<sup>6</sup>
24. Conduct an extensive outreach campaign to educate employees about the consequences of and options for use of carryover HRA balances.

#### **Outreach & Research**

25. Disseminate educational materials highlighting the difference that City MRAs could make to the affordability of health insurance on Covered CA.
26. Promote the City Option to employers as a means of complying with the HCSO for employees for whom they do not provide health insurance.

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<sup>6</sup> Under HCSO regulations, if an employee waives his/her carryover HRA funds, the employer is not considered to have met HCSO obligations and is required to make valid health care expenditures in the amount of the waived funds.



27. Aggressively market availability of unused MRA funds to account holders, in conjunction with a campaign to help enroll MRA account holders into insurance on Covered CA.
28. Conduct further research and data analysis on affordability obstacles under the ACA.
29. Educate the community at large about continued access to health care services through existing charity care sliding fee scale.

## Public Input

Following are recommendations offered by members of the public.

1. Small businesses that purchase insurance through the Small Business Health Options Program (SHOP) on Covered CA should not be required to make the full amount of HCE for insured employees. The cost of SHOP plans is likely to be less than the annual HCE for a full-time employee, while providing comprehensive ACA-approved coverage.
2. Create a non-MRA HCSO compliance option specifically for small businesses.
3. Because California law extends insurance to employees regularly working 20 hours per week, the focus should be on solutions that provide insurance to employees working 20-30 hours/week.

## Background

The Health Care Security Ordinance (HCSO) requires employers with 20 or more employees (50+ for non-profit) to make health care expenditures on behalf of covered employees working a minimum of 8 hours per week. Employers comply by providing health insurance, allocating funds to health reimbursement accounts, or paying to the City Option. Under the City Option, the City determines the employee's eligibility for Healthy San Francisco or sets up a medical reimbursement account (MRA), known as the City MRA.

Since its enactment in 2007, the HCSO has served an important role in increasing access to health care, and is a contributing factor to the declining rate of uninsurance in San Francisco, which dropped from 15.2% in 2009 to 13.6% in 2012.<sup>7</sup> Healthy San Francisco has won national acclaim, and has provided medical homes to over 116,000 uninsured San Franciscans during the past five years. The program

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<sup>7</sup> United States Census Bureau, American Community Survey, 2009-2012.



currently serves an estimated 70% of the City's uninsured population. Through the Employer Spending Requirement (ESR), employers have contributed an average of \$1.2 billion for health expenditures to cover on average 235,000 employees each year.<sup>8</sup>

The HCSO has helped to put San Francisco ahead of the curve in implementing the ACA, which offers new coverage options, shares responsibility for coverage between individuals, employers, and government, and makes many reforms to the health insurance marketplace. Major aspects of the ACA take effect in 2014.

At the intersection of the HCSO and the ACA, the UHC identified two key issues that have implications for individuals, employers, and the City: the compatibility of the HCSO with the ACA, and the affordability of health care coverage.

### **HCSO Remains Intact Alongside the ACA**

Market reforms under the ACA affect one option for compliance with the HCSO, while leaving the rest of the Ordinance intact. This means that for the large majority of San Francisco employers covered by the HCSO, the ACA does not present hurdles to compliance with either law. Eighty-eight percent of the City's employers offer insurance to some or all of their employees, a trend that is particularly evident among large employers. Employers who currently pay into the City Option can continue to do so unaffected, and their covered employees will continue to have access to Healthy San Francisco or the City MRA. However, the ACA does make changes to the third method of HCSO compliance, the health reimbursement account (HRA).

As of January 1<sup>st</sup>, 2014, the ACA requires HRAs to be integrated with comprehensive, employer-sponsored health insurance plans.<sup>9</sup> HRAs that are not coupled with an insurance plan, known as stand-alone HRAs, are disallowed unless they reimburse only for excepted benefits.<sup>10</sup> This change will affect how some employers comply with the HCSO. The use of HRAs to make health care expenditures (HCE) is highest among small businesses and those with many part-time employees. The Office of Labor Standards Enforcement (OLSE) estimates that a minimum of 658 employers (16%) subject to the HCSO allocated funds to at least

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<sup>8</sup> San Francisco Office of Labor Standards, Analysis of Annual Reporting Forms, 2010-2012.

<sup>9</sup> U.S. Departments of Treasury and Labor, IRS Notice 2013-54: Application of Market Reform and other Provisions of the Affordable Care Act to HRAs, Health FSAs, and Certain other Employer Healthcare Arrangements, September 13, 2013.

<sup>10</sup> Excepted benefits plan reimburse for limited services such as dental, vision, long-term care, indemnity plans, etc.



one stand-alone HRA in 2012, and 190 employers (5%) used stand-alone HRAs exclusively.

The City has confirmed that beginning January 1<sup>st</sup>, 2014, individuals who have carryover balances in stand-alone HRAs that provide reimbursements for health care expenditures other than excepted benefits are ineligible for federal subsidies on Covered CA. They will be barred from accessing those subsidies during each month they carry an HRA balance. An individual may waive the HRA balance, or use it toward unsubsidized purchase of plans on Covered CA (if the terms of the HRA allow). This rule affects HCSO covered employees, who are guaranteed access to their HRA funds for 24 months from the date of the allocation. OLSE estimates that a minimum of 35,469 employees (13%) had stand-alone HRAs in 2012. These employees are likely to be part-time and/or low-wage employees. The carryover rule also affects employers who have employees with HRA balances. Under the ACA, these employers must allow employees to opt out of their HRAs at least once per year; and under the HCSO, these employers will need to use another strategy to make the required expenditures on behalf of employees who opt out.

It is important to note that the non-excepted stand-alone HRA issue is a temporary one. Employers can continue to comply with the HCSO in other ways, and employees become eligible for premium subsidies as soon as they spend down their accounts or opt out. Any remaining carryover accounts will expire by their own terms by the end of 2015.

### **Potential Affordability Concerns Remain for Some**

The cost of living and doing business in San Francisco is high compared to other places in the state and the nation. Residential and commercial rents are among the highest in the country, business taxes are among the highest in the state, and overall cost of living is ranked 4<sup>th</sup> highest nationally. Health insurance is also expensive, with small businesses and part-time employees at high risk for not being able to afford coverage. While the ACA provides new coverage options through Medi-Cal and Covered CA, and offers federal subsidies in some cases, the high cost of living in San Francisco may keep health insurance out of reach for low- and middle-income individuals and families. Meanwhile, ACA changes to HRAs potentially increase the cost of complying with the HCSO for small businesses. Such affordability concerns could translate to a lack of coverage, which ultimately becomes a financial concern for the City.

The UHC identified the following populations as potentially having affordability concerns in 2014.



Potential Affordability Concern	
Individuals	<ul style="list-style-type: none"><li>• Undocumented immigrants</li><li>• Part-time employees</li><li>• Employees of small business</li><li>• Families</li><li>• Individuals with Carryover Balances in Existing Stand-alone HRAs</li><li>• Individuals choosing to pay penalties</li></ul>
Employers	<ul style="list-style-type: none"><li>• Businesses with a high proportion of low-wage or part-time employees</li><li>• Small businesses (20-49 employees)</li><li>• Businesses relying on stand-alone HRAs</li><li>• Businesses choosing to pay penalties</li></ul>
City	<ul style="list-style-type: none"><li>• Public health care system</li></ul>

**Undocumented immigrants** are ineligible to purchase insurance through Covered CA, and eligible for limited Medi-Cal benefits. While low-income undocumented persons below age 65 will continue to have health care access through Healthy San Francisco or Healthy Kids, those whose income or age does not qualify them for these programs may not have access to affordable health care.

**Part-time employees** are less likely to have offers of employer-sponsored insurance, and are also more likely to be low- and middle-wage earners. ACA employer provisions do not extend employer-sponsored coverage to part-time workers. Employees working 8-29 hours per week are covered by the HCSO, but those benefits may not cover the full cost of insurance. The ACA provides financial assistance for individuals with incomes between 138-400% of FPL (\$15,856-\$45,960 per year) when purchasing insurance on Covered CA. The amount of the subsidy declines sharply between 250-400% of FPL, meaning that a person earning \$45,000 pays nearly the full price of premiums, which may be a deterrent to buying insurance.

**Employees of small business** are less likely than employees of large business to have insurance and are likely to pay more for premiums and deductibles than employees working for large businesses. Small business employees comprise a large number of enrollees in stand-alone HRAs.

**Families** may face financial and coverage concerns depending on an employer-sponsored offer of coverage. The ACA considers employer-sponsored coverage as affordable if an employee's contribution for self-only coverage is less than 9.5% of household income. However, family coverage can cost three to four times more



than individual coverage, which could in practice be unaffordable for the family. Should a family decide to decline employer coverage and purchase on Covered CA, all family members covered under the employer's plan are barred from accessing federal subsidies on Covered CA.

**Employees with carryover stand-alone HRA balances** will be considered to have satisfied the individual mandate during the months they retain a balance. If otherwise eligible for federal tax subsidies on Covered CA, these employees will lose access to those subsidies during the months they carry a balance.

**Individuals choosing to pay ACA penalties** would remain uninsured and liable for all health related costs.

**Small businesses** with 20-49 employees have difficulty financing insurance for their employees for various reasons, including high cost and low employee participation in insurance, especially if the employees are low-wage earners. A small business also may not have the requisite number of full-time employees or a large enough workforce to negotiate affordable health insurance rates. Small employers generally operate on very low profit margins and may not be able to afford the full, up-front expenditures required by the City Option or health insurance.

**Businesses with a high proportion of low-wage or part-time employees** will be affected by the HRA changes if HRAs are the form of expenditures made on behalf of those employees. Switching to a fully irrevocable form of expenditures for a large portion of their workforce could negatively impact these businesses' finances.

**Businesses relying on stand-alone HRAs** as a mode of compliance with the HCSO anticipate the reversion of allocations that go unused for 24 months. These may be small businesses relying solely on HRAs, or larger businesses that offer HRAs to part-time or employees. Having built the HRAs into their business strategy, these businesses face a substantial increase in costs if complying with the HCSO through insurance or the City Option. HCSO compliant San Francisco employers pay the highest minimum wage in the country, and comply with a number of employee-friendly ordinances, including the HCSO, the Paid Sick Leave Ordinance, and Flex Work Ordinance.

**Businesses choosing to pay ACA penalties** would do so to save health insurance costs. However, these businesses would still be required to comply with the HCSO.

**The City's public health care system**, operated by the Department of Public Health (DPH), absorbs the cost of care for those who are uninsured and/or indigent through its hospitals and clinics and the Healthy San Francisco program. To recover



revenue losses related to indigent care, DPH draws from the City's General Fund. In the last three years, DPH has required General Fund supplementation of \$248.7–336.5 million per year; these numbers reflect revenue shortfalls related to patient care only, not DPH's entire drawdown. Currently, DPH projects that 49,000–53,000 San Franciscans will remain residually uninsured in 2014.



## About the UHC

The Universal Healthcare Council met five times from September to December 2013. Membership on the UHC included representatives from San Francisco's labor, business, health care, and government sectors. UHC members offered recommendations throughout the process, at meetings and in writing; consensus was sought where possible, but not required. All meetings were open to the public and time was allotted for public comment. Complete meeting materials, including issue briefs, presentations, and minutes, can be accessed through the Department of Public Health website, at URL.

### UNIVERSAL HEALTHCARE COUNCIL MEMBERS

Last Name	First Name	Organization
Adams	Steve	President, San Francisco Small Business Commission
Black	Rob	Executive Director, Golden Gate Restaurant Association
Browner, MD	Warren	Chief Executive Officer, California Pacific Medical Center
Chan, PharmD	Eddie	President/Chief Executive Officer, Northeast Medical Services
Chung	Anni	President/Chief Executive Officer, Self Help for the Elderly
Fields	Steve	Co-Chair, Human Services Network
Fung, MD, PhD	Gordon	Member, San Francisco Medical Society Board of Directors
Garcia	Estela	Chicano Latino Indigena Health Equity Coalition; Executive Director Instituto Familiar de la Raza
Garcia, Co-Chair	Barbara	Director of Health, San Francisco Department of Public Health
Gressman	John	President/Executive Director, San Francisco Community Clinic Consortium
Grumbach, MD	Kevin	Professor & Chair of Family Practice, UCSF/SFGH; Co-Director, UCSF Clinical Translational Science Community Engagement and Health Policy Program; Co-Director, UCSF Center for Excellence in Primary Care
Hauge	Scott	President, CAL Insurance & Associates; Founder, Small Business California
Heilig	Steve	Policy Director, SF Medical Society
Hernandez, MD, Co-Chair	Sandra	Chief Executive Officer, The San Francisco Foundation
Jacobs	Ken	Chair, UC Berkeley Center for Labor Research and Education
Lang	Perry	African-American Community Health Equity Council; Executive Director, Black Coalition on AIDS



Universal Healthcare Council 2013  
Draft Final Report

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**UNIVERSAL HEALTHCARE COUNCIL MEMBERS**

<b>Last Name</b>	<b>First Name</b>	<b>Organization</b>
<b>Laret</b>	Mark	Chief Executive Officer, UCSF Medical Center
<b>Lewis</b>	Ian	Research Analyst, Unite Here Local 2
<b>Lazarus</b>	Jim	Senior Vice President, SF Chamber of Commerce
<b>Melara</b>	Sonia	President, San Francisco Health Commission
<b>Miller</b>	Rebecca	Director, Workforce Development, United Healthcare Workers - West
<b>Muscat</b>	Bob	Chair, Public Employees Committee, San Francisco Labor Council
<b>Naranjo</b>	Fred	Principal, Scarborough Insurance Agency
<b>Pappas</b>	Michael	Executive Director, Interfaith Council
<b>Paulson</b>	Tim	Executive Director, Labor Council
<b>Rhorer</b>	Trent	Executive Director, San Francisco Human Services Agency
<b>Robisch</b>	Christine	Senior Vice President & Area Manager, Kaiser Foundation Hospitals and Health Plan
<b>Rose</b>	L. Wade	Vice President, External & Government Relations, Dignity Health
<b>Rosenfield</b>	Ben	Controller, City and County of San Francisco
<b>Santiago, DPM</b>	Amor	Asian & Pacific Islander Health Parity Coalition; Executive Director, APA Family Support Services
<b>Smith</b>	Ron	Regional Vice President, Hospital Council of Northern and Central California
<b>Snay</b>	Abby	Executive Director, Jewish Vocational Services
<b>Stead-Mendez</b>	John	Deputy Executive Director, Field & Programs, SEIU Local 1021
<b>Storey</b>	Brenda	Executive Director, Mission Neighborhood Health Center
<b>Thomas</b>	Laurie	Rose Pistola & Rose's Café
<b>Thomason</b>	Richard	Director, Health Care and Coverage, Blue Shield of California Foundation
<b>Valdes, MD</b>	Ana	Medical Director, St. Anthony's Clinic
<b>Wright</b>	Chris	Executive Director, Committee on Jobs
<b>Wulsin, Jr</b>	Lucien	Executive Director and Founder, Insure the Uninsured Project
<b>Wunderman</b>	Jim	President/Chief Executive Officer, Bay Area Council
<b>Yee</b>	Brenda	Chief Executive Officer, Chinese Hospital





SMALL BUSINESS COMMISSION  
DRAFT SPECIAL MEETING MINUTES



Friday, December 20, 2013  
2:00 P.M.

CITY HALL, ROOM 421

1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

SMALL BUSINESS COMMISSIONERS

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

JAN 10 2014

1. Call to order and roll call.

The meeting was called to order at 2:11 PM. Commissioners Dwight, O'Brien, Yee Riley, and White were present. Commissioners Adams, Dooley, and Ortiz-Cartagena were absent. Commissioner Dooley arrived at 2:17 PM during consideration of Item 2, and departed at 3:35 PM during discussion of Item 3. Commissioner O'Brien departed at 3:40 PM during discussion of Item 3. The departure of Commissioner O'Brien caused a loss of quorum with only three commissioners remaining. No action was taken during the remainder of the meeting from 3:40 PM until adjournment.

2. Discussion and possible action on Board of Supervisors File No. 131121 [Planning Code – Amending the Third Street Alcohol Restricted Use District]. (Discussion and Possible Action Item)

Explanatory Documents: [BOS File No. 131121 \(PDF\)](#), [BOS File No. 131121 Legislative Digest](#)

Mawuli Tugbenyoh, Legislative Aide to Supervisor Malia Cohen, presented.

Mr. Tugbenyoh outlined the underlying goals of the legislation and how it seeks to allow a narrow category of desirable alcohol-related uses into the Third Street Alcohol Restricted Use District (RUD). The legislation seeks to allow artisanal production of wine with limited on- and off-sale of the wine produced and other alcohol, as permitted by a Type 2 "Winegrower" License from the California Department of Alcoholic Beverage Control (ABC). The legislation was prompted by a local home-based wine producer, Barbara Gratta of Gratta Wines, who is seeking to expand into a commercial facility within the RUD's boundaries. Currently, the RUD's restriction would prevent her from doing so due to a blanket restriction on all new ABC license types.

Commissioners Dwight and White spoke in support of the proposal, and encouraged its expansion beyond just wine production to consider craft producers of beer and spirits. Other commissioners were generally supportive but had specific questions about potential impacts.

Commissioner O'Brien asked whether the allowance proposed in the legislation would create a "backdoor" way to open a liquor store in the community. Mr. Tugbenyoh indicated that numerous liquor stores already exist in the area as legal, non-conforming uses, and the addition of the sorts of uses allowed under a Type 2 license were unlikely to create any new or expanded neighborhood problems. Commissioner O'Brien also asked that the impact of this change be reevaluated after some time has passed to gauge any potential neighborhood problems.

Commissioner Yee Riley asked about the community response to this proposal. Mr. Tugbenyoh said his outreach efforts have revealed only support for the proposal. Director Dick-Endrizzi asked specifically whether the Bayview Merchant Association had been consulted, and Mr. Tugbenyoh said it was supportive.

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
415.554.6134

REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



Public Comment was called for and no members of the public requested to speak.

Motion: Commissioner Dwight motioned to recommend approval of BOS File No. 131121, with modifications as follows:

- 1) A recommendation to the legislative sponsor was to consider the suitability of also including Department of Alcoholic Beverage Control (ABC) Type 1 "Beer Manufacturer" and Type 4 "Distilled Spirits Manufacturer" licenses in the list of exemptions from the RUD's provisions. The Commission noted that locally-manufactured beer, wine, and spirits from artisanal producers are growing in popularity, yet are not generally associated with the negative neighborhood effects of other alcohol-related uses such as bars and liquor stores. As a result, the Commission believed the RUD's controls could be relaxed in these areas to support employment and economic development without jeopardizing the surrounding neighborhoods.

2<sup>nd</sup>: Commissioner Yee Riley

Aye: Dooley, Dwight, O'Brien, Yee Riley, and White

Nay: None

Absent: Adams, Ortiz-Cartagena

**3. Discussion and possible action on matters pertaining to the relationship between the City's "Health Care Security Ordinance" (HCSO) and the federal "Patient Protection and Affordable Care Act" (ACA). (Discussion and Possible Action Item)**

Explanatory Documents: Universal Healthcare Council (UHC) Meeting Materials from 12/5/2013

Regina Dick-Endrizzi, Executive Director of the Office of Small Business, presented.

Director Dick-Endrizzi noted that the Mayor's Universal Healthcare Council (UHC), of which Commissioner Adams was a member, has conducted its final meeting. The UHC was unable to reach consensus on recommendations, and instead issued a number of suggestions, some of them contradictory. Director Dick-Endrizzi explained the likely implications of the simultaneous implementation of both the HCSO and ACA for small businesses, describing differences in the experiences of businesses with fewer than 20 employees, 20 to 49 employees, and 50 or more employees. The City is still developing compliance policies that have either recently been confirmed or still yet to be confirmed by the Federal government. Until such confirmation is provided, she hopes the Commission can urge the Office of Labor Standards Enforcement (OLSE), as the City agency charged with enforcement of the HCSO, to take a reasonable approach to businesses and their filings statements. As the City is submitting its FAQ's after business have had to make to make businesses decisions on how to manage their employee benefits and comply with a December 1, 2013 employee notification requirements mandated by the ACA.

Director Dick-Endrizzi discussed results of an outreach survey of small business employers in San Francisco regarding their impressions, expectations, and plans related to implementation of the ACA in addition to the HCSO.

Commissioners Dwight and White shared their experiences with the upcoming implementation of the ACA, as both employ more than 20 workers. Commissioner Dwight expressed his frustration with the complexity of the issue, which as forced him to hire a specialized consultant to navigate compliance for his business.

Public Comment was called for and no members of the public requested to speak.

No action was taken on this item due to absence of a quorum.

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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY



**4. Directors Report.** (Discussion Item)

Director Dick-Endrizzi presented a verbal Director's report. She announced the transfer of Jane Gong from the Office of Small Business to her new role as Program Director for the business portal project within the Department of Information Technology. Director Dick-Endrizzi also mentioned Mayor Lee's proposed ballot measure to increase San Francisco's minimum wage.

**5. Approval of the December 9, 2013 Joint SBC-SFMTA Board of Directors meeting minutes.** (Action Item)

Explanatory Documents: Draft December 9, 2013 Joint SBC-SFMTA Board of Directors meeting minutes

No action was taken on this item due to absence of a quorum. The minutes will be presented for adoption at the Commission's next regular meeting.

**6. Approval of the December 9, 2013 special meeting minutes.** (Action Item)

Explanatory Documents: Draft December 9, 2013 special meeting minutes

No action was taken on this item due to absence of a quorum. The minutes will be presented for adoption at the Commission's next regular meeting.

**7. New Business.** (Discussion Item)

None.

**8. General Public Comment.** (Discussion Item)

Public Comment was called for and no members of the public requested to speak.

**9. Adjournment.** (Action Item)

Meeting was adjourned at 4:06 PM by the Acting Commission Secretary due to absence of a quorum.

SMALL BUSINESS COMMISSION  
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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
CHRISTIAN MURDOCK, ACTING COMMISSION SECRETARY

















**SMALL BUSINESS COMMISSION  
NOTICE OF MEETING CANCELLATION**



**Monday, December 23, 2013  
2:00 PM**

**CITY HALL, ROOM 400**

**1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102**

**SMALL BUSINESS COMMISSIONERS**

Stephen Adams, President

Monetta White, Vice President

Kathleen Dooley, Mark Dwight, Luke O'Brien

William Ortiz-Cartagena, Irene Yee Riley

The Small Business Commission meeting of December 23, 2013, is cancelled.

GOVERNMENT  
DOCUMENTS DEPT

DEC 17 2013

SMALL BUSINESS COMMISSION  
1 DR. CARLTON B. GOODLETT PLACE, ROOM 110  
SAN FRANCISCO, CA 94102  
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REGINA DICK-ENDRIZZI, EXECUTIVE DIRECTOR  
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